

IDAHO EMPLOYMENT

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State Overview

YEAR IN REVIEW

The economy began to show signs of recovery in 2004 with increased growth in employment and a lower unemployment rate. In other words, it was a good year.

POPULATION

As the year ended, the U.S. Census Bureau released population data for the states. Idaho's population increased 1.9 percent to 1,393,262 as of July 1, 2004. This represents an increase of over 26,000 people. This was the largest numeric increase in Idaho's population since 1995 when over 32,000 people were added. Although Idaho's population ranking remained unchanged at 39th, the state ranked 4th in percent growth. We were behind Nevada with a 4.1 percent growth, Arizona with 3.0 percent growth, and Florida with 2.3 percent growth.

LABOR FORCE

The methodology used to compute the labor force data is being revised. As a result, a comparison of the annual data will not be released at this time. The tables that normally appear on pages 3 and 6 are not included in this newsletter. They will return next month with information on the revisions.

AGRICULTURE

Idaho's 2004 average *Agriculture* employment is estimated to be 41,182, an increase of 2.0 percent from 2003. *Agriculture* employment was 6.1 percent of the state's average total employment in 2004, but economic and water difficulties plaguing the sector is clouding its future. Drought and water shortage conditions have persisted throughout southern Idaho for the last five years. Lower than average precipitation, stored water depletion and higher than average temperatures are the reasons for the water shortage. While extreme water shortage affects almost all of Idaho's eco-

LABOR FORCE DATA NEWS

Next month's issue of this newsletter will include tables with labor force data created using a new methodology. Because of changes in the tables and because this issue focuses on the year 2004 in review, this issue does not contain the tables that normally appear on the first page of each region's section. If you need data from those tables, please go to Idaho Commerce and Labor's Labor Market Information Web site at lmi.idaho.gov or contact the individual region's labor economist, whose phone number and email address appears at the end of each region's section.

conomic activity, it affects agriculture significantly. Not only is water needed to grow crops, short water supplies and accompanying hot weather conditions result in poorer crop quality and yields, plant diseases and high energy costs. The 2004 weather and low commodity prices continued to have an adverse impact on the agricultural economy. Heavy spring rains helped to extend the water supply in most areas of the state in 2004. Crop production was good and prices for commodities and livestock were better than 2003. During the year there were no significant losses reported due to frost, insects or disease.

NONFARM PAYROLL JOBS

Idaho ranked 4th nationally in job growth at the end of 2004. Between December 2003 and December 2004, the state created 17,600 jobs. The 3.1 percent job growth was behind Nevada, Utah and Hawaii.

Idaho's *Nonfarm Payroll Jobs* averaged 586,200 in 2004, which 2.4 percent greater than 2003. The *Goods-Producing Industries* added about 2,700 jobs with the remaining 11,300 new jobs were found in the *Service-Providing Industries*.

With the exception of *Manufacturing* and *Local Government*, the published industries with employment in excess of 25,000 experienced an increase in the number of jobs in 2004. There was particular strength in *Construction*, *Administrative & Support Services*, *Health Care & Social Assistance* and *Trade*. Conversely, *Manufacturing*, primarily *Food Manufacturing*, experienced the largest loss of jobs during the year.

Goods-Producing Industries

The *Goods-Producing Industries* accounted for 18 percent of the non-farm jobs in 2004. Jobs in the *Manufacturing* industries overall improved in 2004, and the natural resource-based industries also gained jobs. During 2004 *Logging* experienced its first increase in the number of jobs since 1992. The demand for wood products has strengthened due to the war in Iraq, last summer's hurricanes in the Southeast and continued population growth as the economy improves and interest rates remain favorable. *Mining* continued to add jobs in 2004 bringing the total job gain in the last two years to nearly 200. The number of jobs increased due to strong metal prices.

Growth in *Construction* continued at a strong pace with over 3,300 new jobs in 2004. Approximately 60 percent of the jobs in *Construction* are in the *Special Trade Contractors* sector. The job picture remains strong, again because of rising population and relatively low interest rates which spurred residential and commercial construction. When building construction increases, so does the number of *Special Trade Contractors* jobs because much of the specialty work is contracted out. But while the growth rate in both *Construction of Buildings* and *Special Trade Contractors* is up from 2003, it is only 0.03 percent higher. *Heavy & Civil Engineering Construction* growth continued in 2004 as many road projects were in the process of being completed. Governor Kempthorne's proposal to obtain GARVEE bonds to improve Idaho's highways will, if approved, provide additional job opportunities for the next 11 years.

Within *Manufacturing*, there were bright and dark spots. Idaho's traditional manufacturing industries have been wood products, food products, chemicals (phosphate-related) and paper. In 2000, these traditional industries had about 30,000 jobs. Just five years later, the number of jobs has declined to 26,500. The decline in these sectors along with the loss of jobs in the electronics industry has resulted in a four-

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year reduction in jobs. *Computer & Electronic Product Manufacturing* was a bright spot in 2004. The job growth in this sector began in 1980, peaking at 19,700 in 2001. Lay-offs and closure of several of the state's electronic manufacturers reduced the number of jobs to 16,300 in 2003. Preliminary data for 2004 indicate that just over 300 jobs were added during the year.

The *Food Manufacturing* sector lost over 700 jobs in 2004 due to belt tightening by many processing facilities that found it necessary to reduce employment levels in an effort to be more efficient and cost effective. Job levels have gradually declined as processing systems have become more automated and efficient, reducing the demand for a large number of seasonal employees and less overtime. Transportation costs and competition from other sources of products, such as frozen French fries, likely will mean continued declines in food processing in the future. The closure of the J.R. Simplot potato processing plant in 2003 had a major impact on the number of jobs in 2004.

Services-Providing Industries

The *Services-Providing Industries* accounted for 87 percent of the new nonfarm jobs created in 2004. Although all industries in this sector experienced employment growth, one-third of the new jobs were created in the *Professional & Business Services* industries, particularly *Administrative & Support Services*. As the economy improved so did the demand on temporary staffing businesses and the expansion of customer service centers. By the end of 2004, Idaho had 81 customer service centers that employed over 21,000 people.

Health Care & Social Assistance jobs increased 3.7 percent over the year by adding an estimated 2,000 jobs. The growth this year was in *Ambulatory Health Care Services* and *Social Assistance*. *Ambulatory Health Care Services* include doctors' offices as well as outpatient clinics. As health costs increase, outpatient clinics are becoming more appealing to consumers as a way to reduce costs.

The industrial sector with the largest number of jobs in 2004 was *Retail Trade* at 73,600. Although the job growth was not as large as in the other sectors, nearly 1,000 jobs were added during the year. As the economy recovered numerous big box stores opened their doors, new restaurants were established and many existing stores remodeled or expanded their facilities. As the number of home/building material stores grows and their product lines increase into kitchen appliances, floor covering, etc., additional pressure will be placed on local hardware, floor covering and appliance stores. As cities attempt to revitalize their downtowns through beautification and "themes," it is hoped that a better retail environment will be created thus stimulating job growth in small specialty shops, eating and drinking places, entertainment venues and community activities. Some of these jobs would be in the *Leisure & Hospitality* sector.

Leisure & Hospitality contains two industries related to tourism: *Arts, Entertainment & Recreation* and *Leisure & Hospitality*. Although the recreation sector did not show an increase in the number of jobs in 2004, employment remains at a record high 7,500. The growth in 2004 was in *Accommodations & Food Services* with 800 new jobs. For the first time in five years, the number of jobs increased in the hotel and other lodging sector. The effects of 9/11 and a poor economy had an adverse impact on this sector in the two prior years. It appears that 2004 was a good year for tourist and business travel. Continuing a long-time trend (more than 20 years), the number of jobs increased in eating and drinking establishments. More than 500 new jobs were added in 2004, bringing the count to a record 39,700.

The only sector to experience job loss in the *Service-Providing Industries* was *Local Government Education*. School districts continued to wrestle with budget shortfalls and growing enrollment. The belt tightening efforts resulted in a loss of 600 jobs ranging from teachers to custodians to teacher aides. No one was exempt as school districts struggled to provide a quality education within tight budgets.

THE BOTTOM LINE

Slow but sure growth is projected to continue in 2005. Only the traditional industries—*Natural Resources*, *Food Manufacturing* and *Wood Manufacturing*—are expected to remain static or slowly decline. If business investments expand, Idaho's electronic industry will also expand and provide a stimulus to all parts of the economy.

There are a couple of threats to job growth. Continued drought and water shortages may have a negative impact not only on agriculture but other areas of the economy like tourism. The lack of water could also affect energy costs. The failure to make necessary infrastructure investment could hinder economic growth. Health care/insurance issues, deficits and imbalances in foreign trade as well as social security are national issues that will impact Idaho.

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Year-in-Review Poem

John W. Mitchell, Economist, Western Region
U.S. Bank

Was it to be Bush or was it to be Kerry?
For partisans of each, the other was scary.
Each number was spun in an amazing drill.
Was it apocalypse now or the city on the hill?

From New York to LA and Key West to Point Barrow
The voters have spoken in a win not so narrow.
Let the passions die down and the ardors cool
So the nation can accept those elected to rule.

Output has been rising since the end of '01,
But job growth lagged with the productivity run.
'04 marked the start of more net job creation,
A critical piece for the upturn's continuation.

Nominal oil prices to the mid-50s did rise
Raising the prospect of an early 80s reprise.
A shock to inflation, growth and job formation
But hopefully not enough to derail the nation.

Housing has soared in permits and prices,
Leading some to worry that were heading for a crisis.
Some localities are likely heading for a fall,
But for the nation as a whole, it will be more like a stall.

Consumers have gorged on low interest fueled spending,
But now jobs and income must replace new lending.
Business cash flows have leapt, as have equipment buys.
This transition is crucial for the upturn to fly.

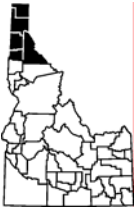
Fiscal policy confronts a looming abyss.
Leaders are starting to say, "something is amiss."
Saint Al and the Fed are six steps up a path
To forestall a return of inflation's wrath.

'04 was the best of the Century so far
But the deficit and the dollar leave our complacency ajar.
'05 will be up at a more modest pace
Fewer homes, cooler consumers and more investment in place.

Idaho has stayed at the top of the pack
The sole state in the region to be all the way back.
From Twin Falls, to Boise and on up the Panhandle
More tourists, higher prices and a back office scramble

Boise is gone, like MK and the Bon,
But under different names the functions live on.
The half decade long drought hasn't been eased
An above average snowpack would make many pleased.

The temporary sales tax is about to wind down
This will challenge the session when they come to town.
Housing's still robust and farm income has surged
More people, and low costs will help new growth sectors emerge.



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

What a pleasure it is to review economic developments in the five Panhandle counties in 2004. Last year brought good news for every community and every major industrial sector in the Panhandle. In order to fit in all the good news, this newsletter doesn't contain the normal discussion of Table 1

2004 YEAR IN REVIEW

Benewah County

- Last year—2004—was the best year since 1997 for Benewah County, home to about 9,100 people. Its *Nonfarm Payroll Jobs* finally returned to the 1997 level after seven years of decline and stagnation. Benewah County remains the Panhandle's most timber-dependent county with more than half (56.1 percent in 2004) of private-sector wages and salaries paid by wood products manufacturers, logging companies and related truck driving businesses. Therefore, the county benefited considerably from the run-up in lumber and plywood prices that occurred during the last two years. In early 2003, lumber prices were near a 10-year low. Random Lengths Publications reported the composite price for lumber rose from \$269 in the last week of 2002 to \$323 in the last week of 2003, peaked at \$473 in mid-August and dropped to \$380 by the last week of 2004. The county's three largest mills—the Potlatch complex in St. Maries, Regulus Stud Mill in St. Maries and Plummer Forest Products in Plummer—all added jobs between 2003 and 2004. In the *Wood Products Manufacturing* sector, total wages and salaries were up 25.0 percent, from \$4.0 million in the first half of 2003 to \$5.0 million in the first half of 2004. In the logging industry, total wages and salaries were up 35.9 percent, from \$2.9 million in the first half of 2003 to \$3.9 million in the first half of 2004. In addition, Buell Trucking, one of the county's largest employers, and other companies that haul logs, wood chips or lumber also benefited from higher lumber and plywood prices.
- Regulus Stud Mill recently started a two-year, \$10 million project that will turn the St. Maries mill into one of the nation's most efficient lumber producers. The project began with construction of a new office building. After that building is completed, Regulus will raze the old office building to accommodate mill construction, which probably will begin this spring. The new state-of-the-art mill will maximize wood utilization. Given the high cost of logs, using every possible scrap of timber is essential. Once the new mill is built, production could increase as much as 33 percent, but employment probably will remain constant at 100 employees.
- The Coeur d'Alene Tribe continues to expand employment and undertake a series of construction projects at its headquarters in Plummer and its school in DeSmet, as well as its casino, hotel and golf course just over the Benewah-Kootenai County line in Worley. Among its latest projects is construction of a \$2.5 million, 20-unit apartment complex for elderly and disabled members near its Benewah Medical & Wellness Center in Plummer. This summer, the casino completed a \$15 million restaurant renovation and hotel expansion project, doubling the number of guest rooms at its hotel to 202. The tribe employs 450 people in Benewah County and 650 people in Kootenai County (the casino complex in Worley).
- According to the Idaho Tax Commission's Travel and Convention Tax Report, hotel-motel receipts increased 19.9 percent, from \$305,848 in 2003 to \$366,591 in 2004. Despite the strong growth, Benewah's tourism sector is small relative to its potential. Benewah County's hotel-motel receipts make up less than 1.0 percent of the total hotel-motel receipts in the Idaho Panhandle.
- The Benewah Medical Center undertook a \$1.6 million construction project to create a new surgery and make other improvements at the community hospital in St. Maries. In addition, it also recently extended the hours of St. Maries Family Medicine, the hospital's clinic serving low-income individuals.
- Despite improved economic conditions, the county's retail and service sectors continue to struggle as residents increasingly shop in Kootenai, Spokane and Latah counties. Benewah County's taxable sales, as shown on the sales tax reports of the Idaho Tax Commission, fell 2.5 percent, from \$43.4 million in 2003 to \$42.3 million in 2004. Taxable sales have declined every year since 2001.
- Many sectors added jobs during 2004. Benewah County's 265 businesses employed 2,272 people in the second quarter of 2004, up 7.0 percent from the 2,124 employed in the second quarter of 2003. Governmental bodies, mostly the Coeur d'Alene Tribe, added another 50 jobs during the same period. Increased job opportunities caused the unemployment rate to fall to a seasonally adjusted 8.6 percent by December 2004. To keep employment growing, Timber Plus, the economic development organization serving the Greater St. Joe area, and the Coeur

d'Alene Tribe continue to aggressively pursue economic development opportunities.

Bonner County

- Bonner County, with a population of 40,300, had a banner year in 2004. As reported in earlier editions of this newsletter, Bonner County became the focus of much national attention this year for its high quality of life, fabulous scenery and great recreational opportunities. The national attention led to massive construction and real estate booms. In addition, the county's manufacturing sector continued to create jobs at a good clip.
- Manufacturers—led by Unicep Packaging, Litehouse, JD Lumber Inc. and Encoder Products—added about 120 jobs between December 2003 and December 2004, bringing manufacturing employment to 2,000 jobs. That's a 7.0 percent growth in a period when U.S. manufacturing employment grew only 0.4 percent. Bonner County Economic Development Corporation has assisted several existing manufacturers to expand and recruited a number of small manufacturers to the county.
- Bonner County's tourism sector also enjoyed a great year. At least it did until Thanksgiving when disappointing weather gave the 2004/2005 ski season a rocky start. The previous ski season brought many new visitors to Schweitzer Mountain Resort in early 2004, and the summer tourist season was the best ever for the county. Hotel-motel receipts increased 17.1 percent, from \$11.3 million in 2003 to \$13.3 million in 2004. That was their strongest growth since 1997. From 1997 to 2003, Bonner County's hotel-motel receipts grew a meager 0.7 percent per year.
- Coldwater Creek, the national catalog company that has its corporate headquarters in the Sandpoint area, opened more than 50 retail stores in 2004. The company recently added jobs, bringing its employment up to 385 in the Sandpoint area, and it expects to add more than 200 jobs there over the next few years.
- Retail and services sectors prospered in 2004 because of improving economic conditions, increasing tourism and a growing population. Taxable sales, which showed negligible growth in the prior two years, rose 5.4 percent, from \$288.5 million in 2003 to \$304.2 million in 2004. At the end of 2004, Home Depot began hiring 120 employees for the store that it opened in Ponderay in January.
- With all sectors going full throttle, it's not surprising that 2004 brought strong job growth. *Nonfarm Payroll Jobs* increased 4.8 percent, from 12,523 in the second quarter of 2003 to 13,119 in the second quarter of 2004. Over the same time period, the number of private-sector employers increased 3.2 percent, from 1,420 to 1,465. The county's unemployment rate has

been declining over the last three years, falling to 6.3 percent in 2004.

Boundary County

- After the heartbreak of losing one of its largest employers—the Louisiana-Pacific mill in Bonners Ferry—the year before, Boundary County did surprisingly well in 2004. The unemployment rate to 7.1 percent in 2004. The county, its 365 private-sector employers and its 10,400 residents also laid the groundwork for future growth.
- With the U.S. housing market near record levels, higher lumber prices brought relative stability to mills and logging companies. More houses being built meant more shrubs and trees were needed, which kept the many ornamental tree nurseries in the county busy.
- One sign that Boundary County's tourism sector thrived in 2004 was the 15.4 percent increase in hotel-motel receipts, from \$2.3 million in 2003 to \$2.6 million in 2004. With the Kootenai Tribe currently completing the latest renovation and expansion at the county's largest tourism business, the Kootenai River Inn and Casino in Bonners Ferry, prospects for 2005 look excellent. The change in the value of the Canadian dollar, from a low of 63 U.S. cents in February 2002 to 82 cents in December 2004, has encouraged more Canadians to shop and play in the United States. As the entry-point for many Canadians, Boundary County has benefited.
- Visitors are enjoying the new sidewalks, lighting and landscaping that revitalized downtown Bonners Ferry in 2004, and they soon will be using the pedestrian underpass under construction to connect downtown and the Kootenai River Inn. To bring more visitors and to help local businesses grow, the Bonners Ferry Airport received a \$1.1 million grant to build a taxiway. These economic development successes are made possible by the strong cooperation among the Boundary Economic Development Corporation, the City of Bonners Ferry, Boundary County and the Kootenai Tribe.
- County residents recently celebrated the opening of the new Bonners Ferry High School, demonstrating their commitment to the county's children. The construction project was timed well, beginning soon after the L-P mill closure and bringing jobs at a time when they were especially needed.
- Another factor in Boundary County's economic growth since September 2001 is the increase in Homeland Security employment at Idaho's two ports of entry on the Canadian border.
- Adding stability to the local economy during 2004 were the CEDU/Brown schools for troubled teenagers, employing about 350 people year-round, and

Anheuser-Busch's Elk Mountain hops farm, employing 300 people at harvest.

- The increase in tourists, the growing population and high levels of construction activity fueled growth in retail and many service industries last years. Taxable sales, which declined slightly in the prior two years, rose an impressive 20.2 percent, from \$54.2 million in 2003 to \$65.2 million in 2004.

Kootenai County

- Kootenai County, home to approximately 122,000 people, added jobs in every major sector in 2004. *Nonfarm Payroll Jobs* probably grew about 7.0 percent as construction, real estate, tourism and call centers led the list of growing industries. The county's unemployment rate fell to 5.8 percent in 2004.
- After losing one-third of their jobs in Kootenai County in 2003, call centers roared back in 2004. Employment at call centers rose from 1,457 jobs in December 2003 to nearly 2,000 jobs in December 2004 as Center Partners began expanding again and Verizon opened a third call center in Coeur d'Alene. The county also lost a call center in 2004 when the 95-employee Dakota Direct call center in downtown Coeur d'Alene closed and was later transformed by Hagadone Hospitality into the Bonsai Bistro, an Asian restaurant employing 95 people. In March 2005, U.S. Bank will open a center in Coeur d'Alene, initially employing 150 people to handle calls about credit and debit cards.
- The tourism sector rose to new heights in 2004. Hotel-motel receipts increased 9.2 percent, from \$36.3 million to \$39.6 million, rising above their 2000 level of \$37.0 million for the first time. Convention travel nearly returned to its pre-9/11 levels while private groups reached an all-time high.
- Kootenai County's manufacturing sector held its own in the first half of 2004 and showed signs of growth in the last half of the year. Its employment will increase significantly in the first quarter of 2005 as Buck Knives opens its 240-employee plant in Post Falls and three smaller manufacturing operations, employing about 50 people altogether, also move here from California.
- Jobs Plus, the notable economic development organization serving Kootenai County, recruited Buck Knives, the other California manufacturing operations, the Verizon call center, the U.S. Bank call center, the 170-employee Sysco distribution center currently hiring 170 workers for its March opening in Post Falls, the Ernest Health rehabilitation hospital that plans to open in Post Falls with 150 employees in early 2006, and several other operations to Kootenai County.
- Jobs came in a wide variety of industries in 2004. Kootenai Medical Center added about 75 jobs as it opened a state-of-the-art heart center last summer.

Burlington Northern Santa Fe Railroad opened a 70-employee locomotive-refueling depot near Hauser in the fall of 2004. Trucking has grown rapidly as the construction, logging, manufacturing, retail and wholesale industries grew.

- Fueled by increased tourism and a growing population, the retail sector experienced fairly strong growth in 2004. The largest retail operation to open in 2004 was the Coeur d'Alene Costco store with approximately 160 employees. Taxable sales in Kootenai County grew 4.1 percent, from \$994.0 million in 2003 to \$1,034.8 million in 2004.

Shoshone County

Shoshone County's 13,000 residents and its 400 private-sector employers are delighted by the changes they've seen in economic conditions during the last two years.

- Rising metals prices are giving new zip to Shoshone County's historic mainstay industry of mining. The price of silver was a relatively low \$4.63 per ounce in December 2002 then rose to a promising \$5.62 by December 2003. By December 2004, it had risen to an astonishing \$7.49. Prices of other metals that are by-products of silver mining, including gold and zinc, also rose in 2004.
- With metals prices soaring, the luster is back in the Silver Valley. Mining increased 30.1 percent, from 292 jobs in December 2003 to 380 jobs in December 2004, and has the potential to add more jobs in 2005. Most of the 2004 job gains came at Hecla Mining's Lucky Friday Mine near Mullan, which added 60 jobs and expects to add a few more jobs during the first half of 2005. Employment at the Galena Mine near Wallace remained constant at 175 employees. At the Sunshine Mine at Big Creek, which closed in February 2001, Sterling Mining Corporation is encouraged by its exploration and development efforts and has high hopes of reopening the richest silver mine in American history. In late December, Sterling Mining let a contract to Atlas Fausett Contracting of Osburn to begin underground rehabilitation of the mine's eastern workings, including the Silver Summit Tunnel. Formation Chemicals is in the process of reopening the hydrometallurgical refinery at the Sunshine mine to refine copper/cobalt, gold and silver concentrates. The refinery is expected to employ about a dozen people.
- With job opportunities on the rise in Shoshone, Kootenai and Spokane counties, about 380 Shoshone County residents were able to find employment between December 2003 and December 2004. Therefore, the number of employed residents rose 7.0 percent, from 5,450 to 5,830. About 1,100 Shoshone County residents work outside the county, mostly in neighboring Kootenai County, Washington's Spokane County and Montana's Stillwater and Lincoln counties.

- Dave Smith Motors, the well-known automotive dealership in Kellogg that is the county's largest employer, continues to lead the retail sector. Taxable sales in Shoshone County grew a strong 12.2 percent, from \$102.3 million in 2003 to \$114.8 million in 2004. Approximately three-fifths of the increase (\$7.6 million) came from sales at automotive dealerships. Dave Smith added about 30 jobs this year, bringing its employment up to 300. Rising incomes, booming construction and a growing population helped other retailers add about 45 jobs, boosting retail employment from 724 jobs in 2003 to 800 jobs in 2004.
- Silver Valley Economic Development Corporation (SVEDC), the local economic development organization, accomplished one of its long-time goals in January 2005 when North Idaho College opened a center offering college courses in Kellogg. SVEDC continues to actively recruit businesses to the county, assist local businesses to grow, and help with economic development and planning efforts. Among the SVEDC's other accomplishments were the February 2004 opening of Northpoint Financial Group's Ready Set Go call center in Smelterville, employing more than 50 people, and the January 2005 move of WindRiver Publishing from Utah to Silverton.
- The SVEDC will find it easier to recruit businesses after the recent improvements at the community hospital in Kellogg. Shoshone Medical Center celebrated the grand opening of its new 42,000-square-foot, 25-bed hospital building in January. The new building is next to the old building that will be razed later this year.
- The Silver Valley's tourism industry seems poised to move to a whole new level. After three years of no growth, hotel-motel receipts increased an impressive 12.8 percent, from \$2.5 million in 2003 to \$2.8 million in 2004. *Leisure & Hospitality* grew an estimated 7.1 percent, from 420 jobs in 2003 to 450 jobs in 2004. An excellent 2003/2004 ski season was followed by the best ever summer season. Silver Mountain, the ski resort and gondola in Kellogg with 200 employees, expanded its days of operation and provided more summer opportunities than ever before. Eagle Crest Resorts, which owns Silver Mountain, plans to build a golf course near the gondola's base as well as hundreds of condominiums and a retail village over the next few years. Lookout Pass, a ski area employing 70 people near the Idaho-Montana border, expanded its ski runs and added chairlifts in 2003, opened an expanded ski lodge in late 2004 and plans to add five ski runs in 2005. Over the last few years, local businesses have profited from ever-growing numbers of bicyclists and other users of two rails-to-trails projects—the Trail of the Coeur d'Alenes, running from Mullan to Plummer, and the Route of the Hiawatha, running from Lookout Pass into Montana.
- After two decades of depressed real estate activity, Shoshone County's real estate market and its construction activity rose to new heights in 2004. Together, the real estate and construction industries added about 70 jobs between 2003 and 2004. The change in conditions became apparent in April when, in four days, Eagle Crest sold all 64 condominium units it's building next to Silver Mountain. Since then, residential and commercial property has been moving at unprecedented levels and at prices far above what they would have sold for two years ago.

CURRENT (2005) AREA DEVELOPMENTS

Ski Areas

This winter was a huge disappointment for skiers and the communities that rely on their spending. The ski season started late and ended early. As it normally does, Lookout Pass, the small ski area near Mullan that employs about 60 people, opened earlier than the other two ski areas when it started up a week before Thanksgiving. Silver Mountain Resort in Kellogg, which normally employs 200 people for the ski season, managed to open December 3, and missed the lucrative Thanksgiving weekend. Because of poor snow conditions, ski visits were 40 percent lower in December 2004 than the same month the year before. The largest ski area, Schweitzer Mountain Resort near Sandpoint with 600 employees, didn't open until December 18. Even after they opened, the ski areas had to limit access to runs because of a lack of snow. In order to attract visitors, some of the ski areas reduced fees. Really good snow conditions didn't occur until New Year's. There was a couple of weeks of fairly good skiing, then came the so-called pineapple express—warm winds and rains that melted the snow base. Although later snowfalls allowed some resurgence in skiing and snowboarding, they were too little, too late. Schweitzer threw in the towel on March 7, the earliest it has closed in its 41-year history. Silver Mountain announced in late February it no longer would be open on Mondays through Wednesdays.

The low level of skiing, snowboarding and snowmobiling activities definitely took a toll on the tourism and retail sectors of Bonner County (home to Schweitzer) and Shoshone County (home to Lookout and Silver Mountain). From December 1, 2004, to February 28, 2005, hotel-motel receipts in Bonner County totaled \$1.8 million, according to Idaho travel and convention tax statistics. That was 22.0 percent lower than the \$2.4 million reported between December 2003 and February 2004. Shoshone County's hotel-motel receipts of \$392,252 this ski season were 6.2 percent lower than the \$418,125 reported the previous ski season.

Benewah County

- Emerald Creek Garnet recently received permission from the U.S. Army Corps of Engineers to destroy wetland in phases, which will allow it to expand its mining

operations along the St. Joe River. Emerald Creek Garnet currently mines a small area near Fernwood. Now it has permission to mine new garnet deposits in 327 acres along Highway 3 southeastern of Fernwood. In an average year of the 20-year project, it will mine 16 acres. The mining operation has committed to making several reclamation efforts. Emerald Creek Garnet produces half the garnets mined in the United States and 10 percent of the garnets in the world. The industrial garnets from the Fernwood area are uniquely hard and are used for water filtration, abrasives and water jet cutting. Currently 35 people work for Emerald Creek Garnet, which is a subsidiary of Coeur d'Alene-based WGI Heavy Minerals Incorporated.

- As early as April, residents of Benewah and Kootenai counties may be able to ride on five new buses that will carry 28 to 35 passengers on fixed routes including Post Falls, Coeur d'Alene, Worley, Plummer and DeSmet seven days a week.
- In a cooperative venture headed by the Kootenai County Commissioners, the Coeur d'Alene Tribe has agreed to pay matching dollars for a Federal Transit Administration grant to provide for the \$1.4 million transportation system. John Austin of the Panhandle Area Council assisted the county commissioners in the effort, which has the endorsement of the Kootenai Metropolitan Planning Organization.
- The bus helps the tribe by bringing people to the casino and transporting residents around the reservation and into Coeur d'Alene for medical visits, shopping and schooling. At the same time, it gives Kootenai planning group a running start on the fixed-route bus service it [was hoping \(hopes\)](#) to create.
- Stops will include the North Idaho College Workforce Training Center in Post Falls; Kootenai Medical Center, the Silver Lake Mall, and North Idaho College in Coeur d'Alene; the Coeur d'Alene Casino and Circling Raven Golf Course in Worley; the Trail of the Coeur d'Alenes and the Benewah Medical and Wellness Center in Plummer; and the tribal school in DeSmet. In Coeur d'Alene, the Kootenai Area Transportation System on-call busses can be scheduled to transport people from their homes to the bus stops.

Bonner County

- Hidden Lakes Golf Resort, eight miles east of Sandpoint along the Pack River and Lake Pend Oreille, recently hired Nicklaus Design to redesign its 18-hole golf course. Owner Dick Vilelli believes the remodel will make the golf course one of the nation's top-ranked courses. Three North Idaho courses—the Coeur d'Alene Resort's course, the Black Rock development's course along Lake Coeur d'Alene and the Coeur d'Alene Tribe's Circling Raven near Worley—already are among the top-ranked courses. Vilelli currently plans several developments for condominiums

and houses on the Hidden Lake Resort's 1,600-plus acres.

- Harold's Super Foods, a family-owned grocery store that has served Sandpoint since 1943, is closing in mid-March. The store, located on Oak Street between 4th and 5th streets, is the only grocery store serving downtown. It employs nearly 40 people who will be assisted in finding jobs by Idaho Commerce and Labor staff in Sandpoint. Panhandle State Bank, the Sandpoint-based bank that is Idaho's largest independent bank, has expressed interest in building a corporate headquarters there.

Boundary County

- CEDU Educational Services closed Rocky Mountain Academy, a 23-year-old school in Naples serving troubled teens, on February 14. The academy was the first of the CEDU programs offered in North Idaho, but in recent years the other programs—including Northwest Academy, Boulder Creek Academy and Ascent—grew while the Rocky Mountain organization declined. Four years ago, Rocky Mountain Academy enrollment peaked at 140 students; by early 2005, only 19 students were enrolled there. When a few key staff members resigned earlier this year, CEDU decided to close it. Most of the students were transferred to other CEDU programs in the Bonners Ferry area, as were most of the employees. About 10 employees lost their jobs. CEDU remains the largest private-sector employer in Boundary County with more than 260 employees. It also has 20 employees at its offices in Sandpoint.
- Partnerships for Inclusion, serving Bonner County children with autism and development delays since 1999 and now also serving adults with disabilities, recently moved to a larger space at 6334 Main St. on Bonners Ferry's South Hill. Partnerships for Inclusion employs more than 20 people. In the future, it plans to open an inclusive preschool for children with and without disabilities.
- Who would ever have thought there would be a day when Boundary County had so many new businesses opening that space limitations would force us to list them rather than to write a separate paragraph about each? Over the last four years, this newsletter has included information about 12 new businesses that opened in Boundary County. Today's newsletter contains information about seven new businesses that demonstrate faith in Boundary County's long-term growth. Those new businesses are:
 - » Best Satellite, which began offering satellite TV and broadband Internet services in the Bonners Ferry area in January and is owned by Don and Stephanie Creigo;
 - » Bonners Ferry Candy and Creations, opened December 7 by Tina South who makes fudge, choco-

lates, caramels, peanut brittle, and other candies and sells gift items including leatherwork, etchings and jewelry crafted by local artisans at 6416 Bonner St. in downtown Bonners Ferry;

- » Davey's Furniture and Upholstery Shop, opened in January by upholsters Stan and Andrea Davey at 6823 Eisenhower St. in Bonners Ferry;
- » Hubbard and Associates CPA, opened in January by CPA Jolene Hubbard and her father Roy Jaynes at 6504 Tyler St. on Bonners Ferry's South Hill;
- » Massage for Health, opened by massage therapist Amy Comer in February next to the Rex Theater in downtown Bonners Ferry;
- » South Hill Videos & Sports Cards, opened December 9 by Joe and Sharon Santos in the old Shell station on Bonners Ferry's South Hill; and
- » the Hatha yoga studio that Sharon Allured will open March 14 in the Bonnerport Building in downtown Bonners Ferry.

Kootenai County

See the Benewah County developments for information about a bus service that will begin providing fixed-route service in April to Post Falls, Hayden, Coeur d'Alene, Worley and Benewah County sites.

- In February, Coeur d'Alene voters passed two bond measures—a \$3 million bond for building a new library and a \$7 million bond that will allow firefighters and local law enforcement to build a training center, help buy fire trucks and equipment, remodel two fire stations and hire more employees. Construction of the \$6.6 million, 42,000-square-foot library across from Coeur d'Alene City Hall is expected to begin this year and be completed in 2006.
- Best Buy opened its first store in North Idaho in late February. The \$3.5 million, 20,000-square-foot electronics store near the intersection of U.S. 95 and Wilbur Avenue in Coeur d'Alene employs nearly 70 people.
- A district court judge ordered BNSF Railway, which recently changed its name from Burlington Northern & Santa Fe Co., to stop operations February 24 at its locomotive refueling depot near Hauser after two fuel leaks were discovered. The \$42 million refueling depot, which fueled up to 40 trains a day, opened in September. The depot is located immediately above the Rathdrum aquifer, which is the main source of drinking water for more than 500,000 people living in Kootenai and Spokane counties. The Railway wants to resume operations, but several local groups oppose the reopening. The operation currently has reassigned 40 of its depot employees to other projects.

Shoshone County

- Beehives Homes, owner of two assisted living facilities in Coeur d'Alene, plans to build a \$3 million nursing home, including several assisted living units in Kel-

logg. About 40 people will be employed once it completed in early 2006.

- WindRiver Publishing, a two-year-old company that publishes and distributes family-oriented and Christian books, recently moved from St. George, Utah, to Silverton. Currently, WindRiver is located in a building next to the Silver Valley Medical Center that closed in 1998. After renovations of the main hospital building are completed in a few months, the publisher will move into the 26,000-square-foot building. Last fall, WindRiver's owners were looking for a larger place with greater proximity to a freeway, and Silver Valley Economic Development Corporation showed them what Shoshone County has to offer, including the large building near Interstate 90. The publishing company currently employs three people, expects to employ eight to ten people two years from now and will eventually expand to employ 30 to 50 people.
- Furniture Exchange & Trustworthy Hardware at 101 N. Hill in Kellogg recently added a 6,000-square-foot extension, bringing its total area up to 20,000-square feet. The additional space will allow the 18-year-old store to expand every department. The county's population growth and the increase in residential construction make it a good time for a furniture, appliance and hardware store to expand.
- Dave Smith Motors, the auto dealership employing more than 300 people in Kellogg, is awarding grants of up to \$2,000 each for storefront improvements. Members of the Historic Silver Valley Chamber of Commerce may submit one-page applications. Dave Smith Motors will donate \$2,000 per month for 12 months for the program, which will enhance Kellogg's visual appeal to visitors.

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SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

2004 YEAR-IN-REVIEW AREA DEVELOPMENTS

Clearwater County

- In 2004 the City of Orofino was awarded a \$47,588 Gem Community Grant from Idaho Commerce & Labor, which was matched with \$146,242 in local dollars to pay for engineering and construction expenses associated with the development for the new Best Western Motel in Orofino. The project extended city water infrastructure to the property line.
- Sport fishing in Clearwater County generates millions of dollars for local communities. In 2004, \$87 million was spent in North Central Idaho. More than 470,000 fishing trips were made to the region with the greatest percentage of the money spent on restaurants and groceries, followed by transportation, fishing tackle, equipment, hotels and campgrounds, and outfitters and guides.
- Orofino, an Idaho community along the Lewis-Clark Trail, was chosen for the unveiling of the new Lewis & Clark U.S. postal stamp in 2004. Visitors to Clearwater County are expected to increase in 2005 as they follow in the footsteps of Lewis & Clark across North Central Idaho. Visitors will see untamed land, much the same as the explorers saw it 200 years ago when they made their way along the high ridgeline route.
- Seismic Tech, a company that once planned to employ as many as 150 in Orofino, has closed and the City of Orofino is considering litigation. Seismic Tech left Orofino where it occupied the city-owned Orofino Business Center, said Rick Laam, Orofino city administrator. Laam believes Seismic Tech is no longer in business.
- The U.S. Forest Service is in the process of researching the possible consolidation and relocation of 23 positions from the Clearwater National Forest in 2005.
- Watco prepared paperwork to abandon about 30 miles of rail line near Orofino. The line connects Konkolville with the former Jaype plywood plant near Pierce. Watco acquired Camas Prairie RailNet in March and renamed it the Great Northwest Railroad. The railroad also travels up the Clearwater Valley to Kooskia and links the Lewiston-Clarkston area with tracks of major carriers in eastern Washington.

Idaho and Lewis Counties

- Work is progressing on the Clearwater Basin Project Act (Senate Bill 433), which is legislation designed to provide enhanced forest stewardship management within the Clearwater and Nez Perce national forests. The act is modeled after the Resource Advisory Committees, established by the Craig-Wyden Bill,

and by recommendations from Idaho's Federal Lands Task Force. If passed, the bill would empower a committee of local residents and experts to work with the U.S. Forest Service to direct management of 2.7 million acres of national forest.

- Construction of the Elk City business incubator project is underway. A local group, Framing Our Community (FOC), is sponsoring the project. The development will be a three-phase operation. Phase one—a 5,000-square-foot building with 2,000-square-feet of office space—is currently under construction. Phases two and three would involve future additions to the building. FOC has been working on the incubator for three years, which is located in an open meadow area on State Highway 14 at the west end of Elk City.
- Major changes are in the works for Snowhaven Ski Area near Grangeville. A new tubing hill has been completed and the board is hoping to generate enough revenue from the tubing hill to expand ski runs, build a new lodge and install a chair lift.
- Two Idaho County bit and spur makers were featured nationally and internationally in the recently released book, *Bits & Spurs: Motifs, Techniques and Modern Makers*. The two Idaho County businesses featured are Custom Bit and Spur, located in Stites, and Rags Bit and Spur of Grangeville.
- A new restaurant, Ernie's Steak House, was constructed at the former Crossroads Café site in Grangeville. The business includes a full bar to be named The 41 Club.
- The Monastery of St. Gertrude broke ground in July 2004 for a nearly \$7 million conference and spirituality center. Building plans include a 120-seat conference room, 760-square feet of climate controlled museum and archive storage space, 22 double-occupancy private rooms and a number of offices. Guests will be treated to a tremendous view of the prairie.
- In 2004, a local group of investors purchased 275 acres of land south of Grangeville and is working on plans for establishing a new subdivision. The development acreage borders Grangeville Country Club to the east and the south.
- Bennett Forest Industries will be moving its Elk City sawmill to Grangeville. The company already has a planning and shipping facility in Grangeville, and will upgrade and expand facilities to accommodate the new sawmill. Company officials cited the need

to improve production and to be more centrally located to its available resource base as factors dictating the move. No jobs are expected to be lost. Instead the company estimates 10 to 15 new jobs will be created, but the jobs will be in Grangeville instead of Elk City.

- According to school officials, enrollment has steadily decreased for the past seven to eight years in Grangeville, Riggins, Kooskia, White Bird and Elk City. Economic conditions are cited as the main reason for the decrease, resulting in mill closures in the county and migration of families to urban areas to find work, according to school district officials
- Sport fishing in Idaho County generates thousands of dollars in spending for local communities. In 2004, \$87 million was spent in North Central Idaho. More than 470,000 fishing trips were made to the region with the greatest percentage of the money spent on restaurants and groceries, followed by transportation, fishing tackle, equipment, hotels and campgrounds, and outfitters and guides.
- Several new businesses have opened in Craigmont, helping to revive a slumping economy caused by the closure of a sawmill several years ago. Businesses include Prairietech, a computer repair business, and a new branch of the Cottonwood Community Federal Credit Union. In addition, entrepreneurs are breathing new life into the long-neglected Camas Club and Craigmont Hotel.
- In the annals of American roadside eccentricities, the big beagle looming above U.S. 95 just outside Cottonwood isn't just a carving...it's 30-feet tall, artfully decorated, fully plumbed and is the nation's only bed and breakfast in a dog. Woodcarver Dennis Sullivan and manager/wife Frances built the world's biggest beagle as a way to promote Dog Bark Park, the 2.5-acre home of the couple's chainsaw carving studio and gift shop. So far, the gamble seems to be paying off. The big dog has been featured in Highlights for Children magazine and the Eccentric America Travel Guide.
- Farmers in Idaho and Lewis counties are intrigued by the idea of making more money from their wheat crops by forming a co-op to build and run an ethanol plant. But the proposed \$23 million price tag may be a stumbling block. The idea has gained momentum and a steering committee has been formed that includes four area farmers, a local businessman and the local economic development specialist to develop a feasibility study.

Latah County

- Advanced Hardware Architectures, Inc., a high-tech engineering firm, returned home to Moscow from Pullman, Washington, in 2004. With the help of an Idaho Rural Community Block Grant program, a 12,000-square-foot building was constructed to be

leased to the firm in the Alturas Technology Park. The company expects to retain 18 high-salary jobs and create eight more in 2005. With the addition, Alturas Technology Park in east Moscow is ready to move into the second and final phase of development beginning with improvements to six additional lots for technology-related businesses. While it has attracted businesses outside of the area, Alturas was designed for technology-related businesses that started up at the University of Idaho. Prior to the creation of Alturas, new businesses would typically relocate to Coeur d'Alene or eastern Washington. A few businesses already have expressed interest in locating to the phase two lots.

- The company formerly known as Alchemy Ventures received 10 mineral leases from the Idaho Department of Lands in 2004, which will allow for clay mining in eastern Latah County. The company, now called i-minerals inc., has the authority to mine for feldspar, quartz and clay on 4,649 acres of state land outside Bovill and Helmer.
- After a year of construction that virtually doubled its size, Gritman Medical Center in Moscow opened its new addition in 2004. The 52,000-square-foot, \$20 million addition was the largest in the hospital's 106-year history. The addition focuses largely on women's health with a new birthing and women's imaging centers on the first floor. The first floor also includes expanded outpatient services, a laboratory and a gift shop. The second floor houses inpatient surgery and critical care facilities.
- The Palouse Surgery Center, a 9,700-square-foot building at 2300 West A Street (on the hill above Wal-Mart) opened in May 2004.
- The old school building in Troy was sold to Potting Shed Creations, a garden and gifts company from Pullman, Washington. Some employees moved with the company while more were hired from the area. The move provided more space, requiring more workers.
- Wal-Mart filed application papers with Moscow's sister city, Pullman, Washington, to build a Wal-Mart Supercenter on a 28-acre site on the south side of Bishop Boulevard. No progress dates have been released.
- Shipping wheat by rail from the Palouse has been assured for another 15 years. The Washington State Department of Transportation announced an \$8 million purchase in November of the Palouse River and Coulee City Railroad (PRCC) right-of-way and tracks. The PRCC Railroad, which had been owned and operated by Kansas-based Watco Inc., runs throughout Latah County and Whitman County in Washington and into neighboring counties where it connects to na-

tional rail lines. Under the agreement reached with Watco, the company will continue to own the trains and railroad cars and will bill shippers for its services. The line transports about 20 percent of the wheat from the region, and about \$160 million worth of goods are shipped on the railroad each year. In addition to the \$8 million cost of buying the tracks, the state has agreed to spend \$22 million to repair and upgrade the 300 miles of rail lines that make up the PRCC.

University of Idaho Developments

- With record high prices of gasoline and diesel affecting motorists across the nation, it's no surprise some people are attracted to the idea of growing their own fuel. As the technology of the alternative fuel called biodiesel continues to evolve, the possibility of producing it may become a reality. Biodiesel is used at the University of Idaho where it powers university vehicles and the Vandal Trolley, which is used as transportation for special events. The UI biodiesel program uses oil extracted from mustard seed. Soybeans and waste fats from restaurants and rendering plants also can be used as biodiesel oil sources.
- The UI Foundation has paid half of the \$26 million dollar debt it incurred in its failed attempt to build the University Place satellite campus in Boise. If the foundation's plans stay on track, the entire debt could be paid off as early as spring 2005.
- The largest scientific conference in the state's history will take place in 2005 at UI. The international Geochemical Society's V.M. Goldschmidt Conference is expected to bring as many as 2,000 scientists and professionals to the local community.
- UI's graduate student enrollment increased by 3.0 percent in the first semester of 2004. Undergraduate numbers, however, were slightly lower than the previous year's record enrollment.
- Hewlett-Packard, one of the nation's leading computer and printer manufacturers, has awarded a financial grant to UI for technology research that could give computers the ability to think like people. A team of Idaho researchers, led by inventor Richard Wells, could speed up research processes.
- The National Institutes of Health awarded UI \$5.1 million over five years to help build a biotechnology industry, keeping Idaho graduates within the state's borders. Under terms of the grant, university and college students will work with researchers on several projects, including studying Alzheimer's disease, viral birth defects, cancer and chemotherapy drugs, and alcohol dependence.
- UI will receive more than \$10 million in research funding from a large federal spending bill signed in November. In addition to acquiring nearly \$1.2 million for research on canola—a genetic variation of

rapeseed developed by Canadian plant breeders for uses such as cooking oil—other beneficiaries at UI include math, forestry and space research. The Lionel Hampton Artist in Residence and the Lionel Hampton Scholars program at the school were awarded \$400,000.

Nez Perce and Asotin (Washington) counties

- In early 2004, Potlatch Corp. announced a layoff of up to 50 workers in the consumer products division at their Lewiston plant. The decision to downsize is part of Potlatch's plan to control costs in a competitive market by streamlining production and expanding marketing, said Michael D. Sullivan, Potlatch's corporate spokesman in Spokane
- One of Lewiston-Clarkston Valley's high-tech employers transferred operations to two Washington communities. Isothermal Systems Research moved about half of its 35 to 40 Clarkston employees to a research and development center in Pullman at the Port of Whitman County's industrial park. The remaining employees are moving to the company's Liberty Lake, Washington, site, which opened in 2002, where a majority of the company's 130 workers are already headquartered. The Liberty Lake site focuses on engineering and development of spray-cool systems for computers. Manufacturing will be moving from Clarkston to Liberty Lake in a couple of months.
- Tidyman's grocery store closed its Lewiston and Moscow locations in July 2004. The stores opened in 1968 and were among the first in the chain, but have been struggling financially for about three years, said Patty Kilcup, company spokeswoman in Spokane. The Lewiston stores' financial struggles predate the arrival of Safeway, which opened in the fall of 2002 across the street, Kilcup said. Tidyman's employed 23 people in Lewiston and 56 in Moscow, she added.
- A new 36,000-square-foot, 12-screen theater opened in Lewiston at the Nez Perce Plaza on Lewiston's Thain Grade.
- Regence BlueShield of Idaho, one of Lewiston's largest private employers, lost the medical insurance contract for the State of Idaho. Regence had planned to build a new office building in the Lewiston Industrial Park, but revised plans to remodel and add onto its existing building in Lewiston instead.
- Potlatch Corp. became the first publicly traded timber company in the nation to win certification from the Forest Stewardship Council for managing forestland in an environmentally friendly way. Potlatch's management of its 670,000 acres of forestland in Idaho met the council's rigorous standards.
- Nez Perce Tribal leaders have announced designs for a new casino. Group West, an architecture firm from Seattle, has finished final plans for a two-phase project that includes a casino and motel. The casino will

feature a bingo parlor, meeting center, a sports bar and buffet-style eatery. The tribe hopes to complete construction by June 2006 for the Lewis & Clark Bicentennial signature event, which is expected to draw thousands of tourists. The event is part of a national project commemorating the Lewis & Clark expedition.

- Thirty-two new homes are being built in the Sundown Heights subdivision south of Lapwai. Construction started in November 2004 and the homes, which cost a total of \$3.7 million, will mark the end of seven years of planning. The final house will be finished by next September. The roads, sewer systems and street lights were ready by the end of 2002 at a cost of \$3.5 million. The 100-acre subdivision is designed to accommodate 64 homes.
- The Nez Perce Tribe awarded more than \$200,000 in gaming revenue to area schools.
- 2004 was the busiest year yet for cruise boats and their passengers according to the Port of Clarkston.
- Two sources of adult refreshments in north central Idaho and southeastern Washington have changed hands in 2004. King Beverage, an Anheuser-Busch distributor in Spokane, has purchased Frontier Distributing, which served Lewiston, Moscow and Pullman, and Valley Beverage, which covered Clarkston and Walla Walla. As a result of the purchase, two warehouses were closed—one in Clarkston that Valley Beverage had operated and one in Pullman that Frontier Distributing had operated. All of the approximately 20 employees in Lewiston, Clarkston, Moscow and Pullman were offered jobs with King Beverage. King Beverage has plans to expand the operation of the former Frontier Distributing at 2004 Fourth Avenue North in Lewiston, a move that could boost employment there.
- Potlatch Corp. announced the sale of its oriented strand board (OSB) plants in Grand Rapids, Bemidji and Cook, all in Minnesota, to Ainsworth Lumber Co. Ltd., headquartered in Vancouver, British Columbia. OSB has been the powerhouse in Potlatch's financial recovery following three years of losses that ended in 2002. The sale will also help Potlatch move toward its goal of debt reduction by providing it with enough money to meet most of its debt when combined with cash on hand. In September 2004, the corporation said it will use some of the money from the Minnesota mills sales to increase pension investments and shareholder value.
- Delta Air Lines, the City of Lewiston and Valley Vision (Nez Perce & Asotin counties' economic development organization) agreed to a plan establishing two daily round-trip nonstop flights from Lewiston to Salt Lake City. A one-year trial started February 1 using 50-passenger jets. The agreement guarantees Delta or a subsidiary will be reimbursed as much as \$3,500 per

flight, with the amount reduced depending on the number of seats sold. The money is provided by a federal Department of Transportation Small Community Air Service Development Grant awarded to the city in early 2004.

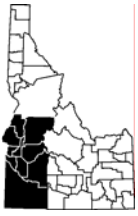
- The new 100,000-square-foot, three-level Lewis-Clark State College Activity Center has been completed. Groundbreaking on the estimated \$15 million project took place in August 2003. The activity center is the first phase of an improvement project that will include additional parking lots, demolition of the old Warrior Gym and its annex, which will be replaced with an auxiliary gym and classrooms.

CURRENT DEVELOPMENTS

Nez Perce and Asotin (Washington) counties

- Twin City Foods suspended its growing and processing operations in Lewiston and the surrounding region for 2005 because of transportation costs and sluggish demand for peas. The decision means 45 full-time employees will be laid off including the 16 maintenance and warehouse positions suspended in October. "In the last few years, we have seen our margins disappear despite all of our efforts to control costs," according to a news release from Twin City Foods. "This has left the company few choices but to consolidate our pea processing operations." The decision is an indication of how challenging it has become for Lewiston's only vegetable processing plant, which has been in operation since 1947, providing stable manufacturing jobs. The jobs being suspended are ones with medical benefits and vacation. The majority are filled by people who have had them for more than 20 years, said Mike Weiss, plant manager of the Lewiston division of Twin City Foods. The decision also affects about 30 farmers who raise peas on contract for Twin City Foods in this region and 200 part-time employees the company hires for harvest. Twin Cities will continue to evaluate the potential of Lewiston on a regular basis, according to the news release. "Management remains optimistic that its business will improve to the point it will be able to resume harvest and processing operations during the 2006 harvest season." In 2000, Twin Cities laid off 25 employees when the retail packaging operation ceased in Lewiston.

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TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

ANNUAL DEVELOPMENTS

Boise MSA

- Citi@Cards announced that it would open a \$36 million customer service and collection center in Meridian. The new facility is expected to create approximately 650 jobs. State government officials and local economic development agencies offered \$1.6 million in Workforce Development Training Funds, investment tax credits, broadband tax credits, and job creation tax credits as incentives in the proposal to bring the service center to the area. Most of the new jobs created by Citi@Cards will pay in the range of \$9.00 to \$10.00 per hour. Citi@Cards already employs nearly 1,100 people in Boise after taking over operations of the former Sears customer service center in Boise.
- Fred Meyer announced plans to transfer its eastern regional office from Salt Lake City to Boise. The regional office, one of six regional headquarters, will oversee 10 Fred Meyer stores in Idaho as well as a number of stores in eastern Washington.
- Albertsons Inc. purchased Shaws Supermarkets based in New England. The acquisition will add more than \$4 billion in annual revenue from Albertsons from Shaw's 202 stores in six New England states. With the purchase, Albertsons now operates more than 2,500 stores in 37 states.
- Albertson's is moving approximately 170 jobs from Scottsdale, Arizona, to Boise. The jobs are in the company's corporate general merchandise and health and beauty units. These two units will work at the company headquarters office located in Boise off of Parkcenter Boulevard and should be moved to Boise early in 2005.
- ZiLOG in Nampa had a complete manufacturing shutdown in July. The plant closure put approximately 150 people out of work. ZiLOG employees were offered severance packages and bonus incentives. ZiLOG is based in San Jose, California, and will outsource its semiconductor manufacturing to a company in Lubbock, Texas. ZiLOG also sold its equipment to STMicroelectronics for an undisclosed amount. STMicroelectronics shipped the equipment overseas to Singapore. The sale of the manufacturing equipment has devalued the building vacated by Zilog, thus reducing tax collections for the City of Nampa.
- ZiLOG leased approximately 15,500-square feet in Meridian for a design center and performance analysis lab. Employees at the Meridian location work in product design, engineering, product testing and quality assurance.
- Amalgamated Sugar is in the process of moving its corporate headquarters to Boise from Ogden, Utah. The move is scheduled to be complete in mid-2005.
- Micron Technology has expanded its product line into NAND Flash Memory, which is used as storage for digital cameras, MP3 players and other handheld devices. According to Micron officials, the current electronics industry environment is the most robust since 2000. According to Micron CEO Steve Appleton, the company is nearly back to its employment level prior to the layoffs that occurred in February 2003.
- Based on third quarter 2004 revenue, Micron Technology and Hynix Semiconductor of South Korea are tied for the number two ranking in market share for memory chip manufacturing. Both Micron and Hynix had third quarter revenues of \$1.04 billion amounting to a 15.2 percent market share. Micron's share is up from second quarter revenues of \$1.02 billion and a 14.9 percent market share, while Hynix lost ground in the third quarter from the second quarter when it had revenues of \$1.14 billion and a 16.7 percent market share.
- MPC Computers is also expanding its product line. In 2005 the computer manufacturer plans to introduce a tablet computer, two other notebook computers and additions to its line of servers. The relatively new tablet PC technology includes features such as allowing a user to write on a computer screen with an instrument similar to a pen; software converts the handwriting into typed text.
- The Milken Institute, which tracks high tech manufacturing, ranked the Boise MSA 13th in the nation in 2004 up from 72nd in 2003. The rankings are based on job growth, salaries, gross domestic product and sales of high tech manufacturers.
- The 2002 Census of Agriculture determined that Canyon County has lost 26 percent of its total farmland since 1997—more than 95,500 acres. Canyon County still remains the most agriculturally diverse county in Idaho, but fell from second of 44 counties in agricultural sales to seventh. For the state as a

whole, farmland decreased by only 2.0 percent between 1997 and 2002, but the value of total agricultural sales rose 15 percent to approximately \$3.9 billion in 2002 from approximately \$3.4 billion in 1997. Dairy farms accounted for 22 percent of total agricultural sales in 2002.

- According to a University of Idaho study, the sugar beet industry contributes approximately \$1.6 billion to the state's economy. Of the total, \$416 million is generated in the Treasure Valley.
- Kinro Inc. of Nampa, a manufacturer of windows and doors for manufactured homes and RVs, bought seven acres of land on Kings Road. Steed Construction is building the company a \$10.4 million, 83,000-square-foot building for expanding operations. The new building is double the size of Kinro's old facility.
- Meridian is the site of Idaho's newest Lowe's Home Improvement Warehouse store, located at the corner of Eagle and Ustick roads. It is approximately 169,000-square feet in size and cost \$18 million to build.
- Nagel Beverage, Southwest Idaho's bottler and distributor of Pepsi® products, is in the process of moving operations from Boise to Nampa. Nagel will move to a new 250,000-square foot facility near the Amalgamated Sugar factory. Construction of the production facilities and office space is scheduled to begin in mid 2005. The expected completion date of the project is April 2006; the distribution center is set to open in early 2005.
- Boise Cascade Corp. sold its timber and paper assets in late 2004 to a private firm in Chicago for approximately \$3.2 billion and changed its name to Office-Max, the name of the office product retailer that it had purchased late in 2003. By selling the timber and paper divisions, the company can focus on worldwide distribution of office products. The now privately-owned timber and paper manufacturing business remains headquartered in Boise and is known as Boise Cascade, LLC.
- Boise Cascade, LLC, sold 2.2 million acres of its timberlands for \$1.65 billion to Forest Capital Partners, LLC, of Boston, Massachusetts. Timbered property included in the sale is located in Idaho, Oregon, Washington, Minnesota, Louisiana and Alabama.
- The two largest hospitals in the Treasure Valley continue to hire more healthcare workers for the near and long-term future. St. Luke's Regional Medical Center is focusing its efforts mostly on nursing and nursing support workers as well as other patient care professionals. St. Alphonsus Regional Medical Center is focusing its hiring efforts on a more varied

range of occupations such as therapy services, pharmacy, medical imaging, and service and support positions. Both hospitals recruit employees locally, regionally, statewide and nationally.

- St. Alphonsus Regional Medical Center broke ground in the fall on a new 400,000-square-foot building to house the Center for Advanced Healing for treating critically ill and injured patients. The new building is expected to cost \$161 million and is scheduled to be complete in the summer of 2007.
- Area businesses revealed some thoughts about doing business in the Treasure Valley through a regional survey conducted by the Boise Metro Chamber of Commerce. Sixty-five percent of the respondents indicated that the Treasure Valley is a "very good" place to do business; 55 percent specified that healthcare costs are too high and 47 percent indicated air quality in the Treasure Valley is not as good as it should be. Two other notable concerns businesses expressed include the need for more funding for schools, both K-12 and universities, and the affect national chain businesses moving into the area is having on the local small business community.
- During the fiscal year ending September 30, 2004, the Boise office of the Small Business Administration (SBA) had guaranteed 625 bank loans worth over \$100 million. This number of guaranteed loans was 39 percent more than the previous fiscal year. The SBA estimates 5,924 jobs were either created or retained as a direct result of the loans.
- Honey House, a manufacturer of skin care products, moved its operations to Star from the Seattle area. Honey House plans to have a factory up and running with 15 employees in spring 2005. Honey House owners, who have been in business for 11 years, say they foresee adding 10 to 15 more employees in the 12 to 18 months following the anticipated March 2005 opening. The company cited the low cost of doing business as one reason for moving to Idaho, and that moving was less expensive than expanding their business in Washington. Honey House is the manufacturer of the "Bee Bar" line of products.
- EDS Corp. announced the expansion of its Boise call center from 500 workers to 900. The 400 new employees will help support the U.S. Navy Marine Corps Intranet, a secured Web site that consolidates over 1,000 independent Navy and Marine computer networks all over the world.
- Nunhems USA, a vegetable and fruit seed manufacturer located in Parma, announced plans to increase its workforce in 2005. Nunhems currently employs

approximately 100 people in Parma. Nunhems develops seeds for melons, tomatoes, cucumbers, and carrots, among other products. Notably, Nunhems is the seed manufacturer for the onion seeds that become the Outback Steakhouse Restaurant chain's "Bloomin Onion" appetizer.

- Parma is also the site of an approved proposal for a new dairy farm that could potentially house over 16,000 cows. The owner estimates this new operation would add \$25 to \$30 million to the local economy. Should this dairy operate at its proposed full capacity, it would employ approximately 80 people at above minimum wage pay. The proposed dairy site is surrounded by feedlots, a gravel pit and U.S. Bureau of Land Management property.
- The Boise Towne Square Mall announced expansion plans scheduled to begin in 2005 that will include 30,000-square feet of additional retail space as well as an anchor restaurant. Other planned improvements include increasing the food court seating from 525 seats to 850 seats and redesigning the mall's main entrance.
- Hewlett-Packard (HP) announced it has signed a contract with Ford Motor Co. estimated to be worth more than \$100 million. The agreement is part of HP's effort to package its many products—including more than 15,000 printing, copying and facsimile devices—and services for 150,000 Ford employees. The deal affects many employees at HP's printing and imaging division in Boise.
- Matterhorn, a Caldwell based novelty ice cream manufacturer, teamed up with Devine Foods of Philadelphia, Pennsylvania, and devised a process that replaces the butter fat in ice cream bars with whole grains. The new ice cream bars are lactose free, fat free, have low cholesterol, high fiber and use small amounts of sugar instead of an artificial sweetener. The bulk of Matterhorn's revenue comes from making products for stores to market under their own brands, including Costco's Kirkland Signature Series. They also make products for Weight Watchers and Kroger. Matterhorn was started in 1983 and moved to Idaho in the mid-1990s.
- The city of Boise has signed a 50-year lease with former silicone valley software engineer Peter Vanek for construction of a rock climbing gym. The Boise Rock Gym will cost close to \$1 million to build. The gym will have a 9,000-square-foot climbing wall and 43-foot ceilings. In addition to the rock wall the Boise Rock Gym will have exercise equipment, a variety of fitness classes and a gear shop selling climbing accessories and gear.

- Meridian accepted a \$250,000 grant to assist Louisiana-Pacific in expanding its plant in the city. The lumber company will add approximately 40 jobs due to the expansion.
- Washington Group International acquired the last 40 percent of the former Westinghouse government services businesses, a one-time subsidiary of BNFL, Inc. With this acquisition, the Boise engineering firm controls the Westinghouse Government Services Co. and the Westinghouse Government Environmental Services Co.
- Boise information technology services and software company CRI Advantage was awarded a \$4.3 million contract by the Idaho Department of Education and the J.A. & Kathryn Albertson Foundation. Under the contract CRI Advantage will provide analytics software to all of Idaho's schools providing teachers with easier access to student information.
- Motive-Power of Boise signed a contract, effective through 2010, to manufacture new locomotives resulting in a significant increase in their workforce, especially welders. Motive-Power's new contract will help give the company more stability and an optimistic outlook for more growth opportunities in the future.

Valley County—Tamarack

- Tamarack Resort near Donnelly sold out its initial offering of 104 custom homes and lots, which generated \$46 million for the resort. Idaho residents bought the majority of the homes/sites, taking 38 percent of the initial offering, while residents of other states and countries took the remaining sites. Synthesis Realty Group, a real estate consulting firm hired by Tamarack developers, called this initial offering the "largest resort site launch ever in North America." The resort also sold out its second offering of properties; this one included 64 golf course lots. Tamarack brought in \$33.4 million in an all-cash transaction meeting from the sale. Idaho buyers purchased 58 percent of the golf course lots, 28 percent of buyers were from California, 4.6 percent were from Oregon and 3.1 percent were from Georgia.

The resort has spent approximately \$70 million on construction during 2004 with approximately 600 construction workers on site on any given day. Construction projects included 60 cottages and chalets, two ski lifts, a four-story lodge for members of the resort's club and a village that will house skier services next winter. According to the Valley County Assessor's office, property values in the Donnelly area closest to Tamarack have increased by 1,000 percent over the last five years. The asses-

sor's office attributes this large increase in property values—which has spread to the entire county in some degree—mostly to construction of the resort.

Other Valley County Developments

- The Valley County Planning and Zoning Commission has given Idaho Power permission to build a new substation near Donnelly. Construction of the new facility could start as early as May 2005 and be on line before the end of the year.
- Boise-based Cloverdale Nursery agreed with Boise Cascade to clean up the former mill site in Cascade. Cloverdale Nursery will receive ownership of the property once they finish the cleanup. The nursery plans to eventually give the property to Valley County for use as a fairgrounds facility.

Elmore County

- Idaho Power received approval from the Idaho Public Utilities Commission to develop a new power plant in Mountain Home. Mountain View Power, Inc., began construction on the \$54 million facility; Idaho Power will assume possession of the plant when it is completed later this year. The new natural gas fired power plant will have a generating capacity of 162 megawatts.
- The Senate Appropriations Committee approved the fiscal year 2005 military construction bill that includes \$39.3 million earmarked for Mountain Home Air Force Base. The money is intended to be used to construct 147 new housing units. The government plans to replace all housing units on the base by fiscal year 2007.
- The Federal Energy Regulatory Commission granted a new 30-year license to the C.J. Strike Dam. The 82,800-kilowatt dam is the largest of five Idaho Power dams recently given new 30-year licenses.
- The City of Glens Ferry opened a new state-of-the-art water treatment facility in late September. The \$5 million water treatment plant was funded by several state and federal government agencies.
- Desert Mineral Mining, LLC, of California submitted plans to open a gold mine on private property approximately 20 miles south of Boise in the spring of 2005. The mining company would be processing approximately 100 tons of rock each day for about two to five years. Though this new mining operation would use cyanide leaching to extract the gold from the ore, it would be a more environmentally-friendly process than in the past because the cyanide would be recycled, leaving very little residue in the tailings. Also a new milling machine that produces organic fertilizer by-products will be used. The proposed new mine will be located on private property at the

end of Black's Creek Road where a gold mine was actually shut down about 60 years ago. Should the permitting process go as planned, the new gold mine will employ 20 to 30 people.

Payette County

- Fruitland-based Woodgrain Millwork purchased American Pine Products of Prineville, Oregon. American Pine Products has a cut stock operation and makes pine molding, window frames, door components and specialty millwork. This purchase has added an additional 500,000-square feet of space and approximately 350 employees to Woodgrain Millwork's business, bringing its total number of employees to over 5,000 in 24 locations in the United States and South America.
- May Trucking Company, started in 1945, has been experiencing healthy growth over the past few years. Company officials said they expect to have 220 trucks in Payette by the end of 2004 up from 45 just three years ago. The entire May Trucking fleet totals 800. The Payette location is the largest refrigeration facility in the company, which also has facilities in Brooks, Oregon; Pensacola, Florida; and Phoenix, Arizona, among other locations. Over 700 trucks pass through Payette every month.

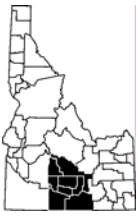
Washington County

- Jon-Lin Foods purchased Appleton Produce in Weiser. Jon-Lin Foods is Weiser's second largest employer and expects fast growth as it expands its product line under the new ownership. Production personnel now working for Jon-Lin Foods are on an increased pay scale, have more comprehensive health and life insurance plans, and a 401K program. A new pre-fried onion line is planned at Jon-Lin soon, adding more production jobs. Jon-Lin owners say that each additional product line adds 45 to 50 production jobs. Jon-Lin Foods' customers include General Mills, Nestle, General Foods, Carl's Junior, Jack in the Box, Arby's, and Wendy's.
- The city of Weiser will use a \$330,000 community development block grant for its water treatment plant improvement project. The grant money was part of Idaho Commerce & Labor's Community Development Block Grants Program.

Gem County

- Officials of Gem County and the City of Emmett signed an agreement allowing sewer waste from the Shadow Butte Industrial Park to be treated at the Emmett Sewer Treatment Plant for the next 25 years. This agreement allows infrastructure work needed for the industrial park to begin. Gem County received \$2 million from the U.S. Department of Commerce Eco-

Continued on page 24



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

AREA DEVELOPMENTS

- In March 2004, Dell, Inc. announced that it was restructuring its Twin Falls consumer technical support call center, which opened in February 2002, to a business relationship call center. Business relationship represents the largest part of Dell's market share; the outstanding performance and technical skill of the workers in the Twin Falls call center convinced Dell executives to create their company's second such call center in Twin Falls. This has immediate positive consequences. The existing Dell staff will receive (have received?) additional training and certification in partnership with the College of Southern Idaho (CSI). Many of these positions offer a good vertical career ladder and the possibility of higher pay. Since the center will typically be dealing with business, the call center hours are foreseen to be from about 6:00a.m. to 8:00 p.m. Monday through Friday, workers will have better hours.
- Blue Lakes Sporting Goods, a long-time Twin Falls retailer, announced that it will be closing, though no exact date was given. The store originally opened in 1962 and expanded into the current building in 1977. Approximately 10 full- and part-time employees will be affected.
- The Twin Falls School District announced proposals for major changes in its vocational-technical education programs. The proposals are to expand and enhance programs so they are more in line with the 21st century workplace. The district plans to work with CSI for agricultural training. The curriculum will contain the traditional basics of farm operations such as welding, woodworking, etc., but will also offer more expanded courses in general farm management, ethics and interpersonal skills to students seeking farm careers. The remaining programs are to be similarly enhanced in scope to encompass a broad range of skills employers are seeking.
- In March 2004, J.R. Simplot Company transferred ownership of its entire 276 acres of facilities in Minidoka and Cassia counties to the city of Burley. At the press conference where the move was announced, Burley Mayor Jon Anderson and Heyburn Mayor George Anderson pledged to work with the Mini-Cassia area to help develop the facilities into an industrial park. Governor Kempthorne called the industrial park a launching pad from which the unemployed workers in the area can derive hope. Officials envision that the industrial park will be home to such businesses as ice cream or cheese processors, distributors, ethanol operations, cold storage facilities, trucking operations, etc., that could eventually employ 600-800 direct workers with an annual economic impact to the Mini-Cassia area of up to \$100 million.
- In August 2004, Idaho Commerce & Labor Director Roger Madsen and other dignitaries welcomed the Hilex Poly Company to Jerome. Hilex Poly refurbished the Moore North American Building south of Jerome and started production in January. Hilex Poly was formerly known as High Density Film Products Division of Sonoco Products Co., a \$3 billion global packaging manufacturer headquartered in South Carolina. The division was started in 1980 as a manufacturer of high-density polyethylene t-shirt bags. In December 2003, the division was sold to Hilex Poly Co., LLC, a plastics company founded in 1979. Hilex Poly, also headquartered in South Carolina, has four other plants—in South Carolina, Pennsylvania, Indiana and Texas. Rex Vaughn, the company's chief operating officer, said it was the workforce that attracted Hilex Poly to the area. Hilex Poly began hiring 40-50 workers in late November 2004 to begin production in January 2005. It also plans to phase in 40-50 more workers about every six months until a workforce of 200 is hired by late 2006. Wages are competitive with full benefits.
- In August 2004, Gossner Foods, Inc., a Logan, Utah-based company, became the first business to announce it would move into the newly formed Mini-Cassia Industrial Park in Heyburn (the former Simplot Plant). Gossner Foods, Inc., intends to occupy a 40,000-square-foot building in the park and expand by an additional 50,000-square feet. Dolores Gossner Wheeler, Gossner's president and CEO, stated that it was the Mini-Cassia area's friendliness, workforce and overall positive business environment that attracted the company to the area. She also praised the area dairy farmers and indicated that milk supply is excellent. Gossner hopes to be completed with construction in October 2005 and will initially employ 35 workers at competitive wages and full benefits. This announcement heralded a turnaround of the Mini-Cassia economy and, coupled with other new business openings, signaled a strong economic stimulus to help stabilize and diversify the Mini-Cassia economy. The result should be lower unemployment with less seasonal fluctuations.
- Governor Kempthorne announced seven grants totaling \$418,092 for water projects that will save over 20,000 acre-feet of water in the Magic Valley each year. These funds are from the Eastern Snake Plain Aquifer Mitigation Program. Grants were awarded to:
 - » Buckeye Ditch Company (\$19,370) to line and seal a high loss ditch, mitigating 1,450 acre-feet a year.

- » Buckeye Farms, Inc. received \$184,005 to install a pumping plant and pipeline, mitigating 11,600 acre-feet per year.
- » Canyon Springs Golf Course and Fish Farm received \$23,090 to install a pump back system, mitigating 2,600 acre-feet a year.
- » Clear Springs Food received \$76,752 to construct a pump back system, mitigating 2,900 acre-feet per year.
- » Fisheries Development Company received \$77,500 to reroute a pipeline system, mitigating 1,450 acre-feet a year.
- » Rangen, Inc. received \$37,375 to modify pipeline and install a pump, mitigating 185 acre-feet per year.
- The Church of Jesus Christ of Latter Day Saints (LDS) announced that Twin Falls will be the site of its fourth temple in Idaho. Boise and Idaho Falls each have a temple and plans for a new one in Rexburg is in the works. The temple will be constructed on the site of the former Candleridge Golf Course along Eastland Boulevard in northeast Twin Falls near the Magic Valley Mall. Typically, the LDS Church hires local workers and contractors of any religious affiliation for the construction. It is estimated that as many as 150-300 construction jobs will be created in various construction occupations for a period of 12 to 18 months. No construction timeline has been announced.
- Twin Falls issued a building permit to Lowe's Company to construct a new store on Blue Lakes Boulevard North in Twin Falls. Lowe's, based in Mooresville, N.C., will build a 169,793-square-foot store and garden center at 1350 Blue Lakes on the 20-acre former site of Weston Plaza and convention center. The Lowe's store is part of development group Blackhawk LLC's planned commercial development that will allow for completion of North College Road from Blue Lakes Boulevard to Locust Street North. Plans include a four-way stoplight at the intersection of Blue Lakes and North College. Lowe's currently operates stores in Nampa and Boise and a new store is under construction in Idaho Falls. The Twin Falls store is expected to employ over 200 people; approximately 80 percent of its jobs are full-time. No definite opening date has been set.
- The Hailey Chamber of Commerce Visitors' Center moved to Main Street in May 2004, sharing space with the Blaine County Office of Idaho Commerce & Labor on the corner of Main Street and Myrtle. This is the first time that these entities have shared an office. The idea was sparked by the merger of the two state agencies (Commerce and Labor). Hailey Chamber Executive Tom Smith expects that the increased visibility afforded on Main Street will bring more people through the center, while the partnership with Idaho Commerce & Labor will foster economic development in the city. The new center is staffed by a corps

of volunteers and was the first such partnership in the state.

- Jayco, Inc., a recreational vehicle manufacturing company, has started its recruitment process to hire workers for its new assembly facility in the Norco Building in south Twin Falls. Jayco, Inc., headquartered in Middlebury, Indiana, is one of the largest manufacturers of recreational vehicles in the United States. The company plans to hire 50-80 workers in the next two years for management, welder and assembler positions.
- A trailer manufacturer based in Kanawha, Iowa, is opening a plant in Gooding that could create as many as 75 jobs. Kiefer Built LLC plans to lease the 120,000-square-foot Arkoosh Produce Building and to hire as many as 20 employees in spring 2005, eventually expanding to 75 welders, assemblers and maintenance personnel. Wages will be competitive with full benefits. The recruitment was the result of statewide participation and assistance from many Idaho agencies.

2005 OUTLOOK

- The outlook for the 2005 economy in South Central Idaho would be outstanding except for one vital ingredient: water. The area has been predominantly agricultural since the days of the Oregon Trail. Men in Idaho's history, like I.B. Perrine, and others knew how to create a Magic Valley by getting water where it was needed, when it was needed. These early settlers tapped into the vast underground river—or aquifer—that appears on the surface in an impressive cascade of a thousand springs from a canyon wall along the Snake River near Hagerman. However, intensive ground use in the 1990s, coupled with atypical weather factors (including six years of drought), has brought the region to the threshold of difficult times. Prudent water practices, immediate correction of wasteful action and infrastructure repair needs to be implemented. Serious water litigation could cause huge cracks in one of the most viable economies in the state. If cooperation is reached, it is expected that strong growth in the manufacturing sector and new growth in cheese processing in the area will be strong with excellent job creation. Numerous construction projects, such as the LDS temple and the new Lowe's Store in Twin Falls, the possibility of a new Wal-Mart Supercenter, Burley and Rupert sewer projects and new housing, will create an extremely strong economy in 2005.

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SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

YEAR-IN-REVIEW - 2004

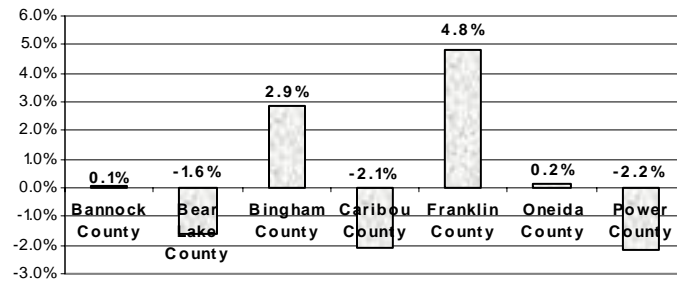
In 2004, continued historically low interest rates prompted businesses and local communities to invest in the Southeast Idaho economy in numerous ways. Some businesses invested in the area by remodeling and expanding, some began building new facilities for their existing business and others started new businesses in the area. Local communities continued to invest in community and economic development through infrastructure and community revitalization projects, while people took advantage of low interest rates to purchase or build homes. Also during the year, the state invested in its colleges and universities through construction projects and those benefited Southeast Idaho as well. In 2004, construction projects were underway throughout most of Southeast Idaho. Despite a rather robust economy, the area suffered from slow population growth, drought, a spike in fuel prices, poor farm commodity prices, the loss of jobs in natural resource based industries and job fluctuations in manufacturing. Economic growth and health was not fairly distributed across the area. While major population and trade centers, such as Pocatello and Blackfoot, showed positive economic growth and economic stability. Many smaller and more rural communities did not experience similar improvement. Southeast Table 1 shows population changes from 2003 to 2004 in the area counties.

In Southeast Idaho, according to Wells Fargo Idaho Construction Report, September 2004, total construction for the first nine months of 2004 increased 8.6 percent from the first nine months of 2003 to total \$103.7 million. (*Construction figures were available only through September 2004.*) *Residential Construction* in the first nine months of 2004 topped the first nine months of 2003 by 18.5 percent and totaled over \$60 million, while *Nonresidential Construction* fell by nearly \$2 million. *Additions, Alterations & Repairs* increased more than \$1 million over the previous year. The numbers, however, did not tell the whole story. Construction values are based on construction permits. Many construction projects were started in 2003, but completed in 2004. While construction permit values were counted in 2003, construction jobs continued into 2004. Some commercial construction started in 2003 resulted in new businesses that opened in 2004 so construction from both 2003 and 2004 contributed to increased jobs in 2004. Southeast Table 2 shows the change in construction value from 2003 to 2004 by county, and it will be discussed in greater detail under county economic developments for 2004.

COUNTY ECONOMIC DEVELOPMENTS - 2004

- **Bannock County** showed great resilience again in 2004. After enduring the loss of high-paying manufacturing and transportation jobs, which resulted in decreased population growth and increased unemployment, the county's population grew from 75,565 in 2000 to 75,630 in 2003. *Construction* increased 16.4 percent through the first nine months of 2004 over the first nine months of 2003 and there is more to come in 2005. The actual increase in the number of *Nonfarm Payroll Jobs* will not be available until June 2005 but is projected to have increased approximately 1.5 percent in 2004.
- Several businesses built new facilities, remodeled existing facilities and began or expanded operations in the Pocatello/Chubbuck area, and Idaho State University completed and started projects in 2004. Major street projects were completed throughout the county in 2004 and many more are planned for 2005. Major developments in 2005 will be the completion of three new convenience stores and a fast food restaurant in the Tuscany Hills area, completion of the Pocatello Town Square development, completion of the multi-theatre complex, continued work on ISU's Rendezvous Center and work on approximately ten new residential subdivisions.
- Major developments throughout 2004 included:
 - » The L. E. and Thelma Stevens Performing Arts Center on the ISU campus was completed in 2004. The structure expands theatrical and musical educational opportunities for ISU students and also provides a beautiful facility to enhance Southeast Idaho's arts and entertainment.
 - » Construction began on ISU's \$34 million Rendezvous Center. The three-year project will continue through 2006.
 - » Portneuf Medical Center built and opened a \$1.5 million open heart suite and cardiac center. Construction began in January 2004 and was completed in October. The center brought in four new physicians and several support staff.
 - » First American Title Company completed construction of its new \$1 million-plus facility in the Tuscany Hills area in 2004.
 - » Holiday House Boutique Shoppe, Quiznos Sandwich Shop and Papa John's Pizza opened along

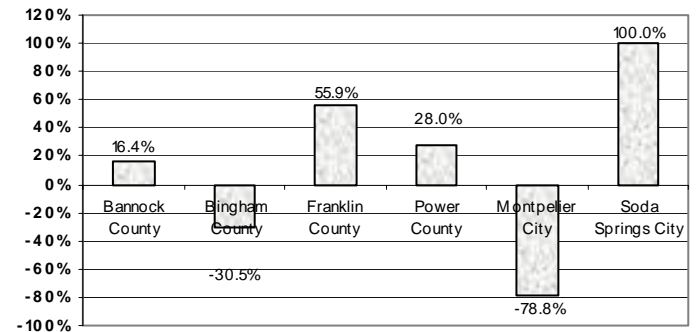
Southeast Idaho Table 1: County Population Change, 2003-2004



South Fifth Avenue. The new businesses added approximately 30 jobs.

- » Qwest Communications International, Inc. expanded its Pocatello workforce by about 100 in 2004 and will increase by another 30 workers in 2005.
- » Upgrades to Old Town Pocatello's infrastructure and lighting began in 2004. The \$3.4 million project will be completed in phases. The first phase was finished in October.
- » Construction of Pocatello High School's new gym on North Arthur in Old Town finished out major projects in Old Town.
- » A new retail development, The Yellowstone Center, opened three new businesses: Hancock Fabrics, Dollar Tree and Tuesday Mornings. The Mandarin House moved from its former location into the new facility. These businesses created more than 30 jobs.
- » Motor City opened a new facility on Yellowstone Avenue. Construction of the facility began in 2003 and the business opened at the new location in 2004.
- » The Bank of Idaho built a new 8,000-square-foot facility in the 1200 block of Yellowstone.
- » Northern Title Company completely renovated the former Ponderosa Paint store at 1523 Yellowstone.
- » Work has begun on a \$44 million dollar retail development, Pocatello Town Square, in North Pocatello behind Wal-Mart, including land procurement and clearing and infrastructure improvements. Lowe's Home Improvement Center has announced it will be one of the anchor stores. A major bookstore, coffee shop and several other clothing and food establishments will locate in the new development. Lowe's expects to be open in the fall of 2005.
- » Demolition of the Pine Ridge Inn and Restaurant began in January to clear the area for a new retail development. Walgreen Drug Store and Figaro's Italian Fast Food Restaurant opened in the new development and construction has be-

Southeast Idaho Table 2: County Construction Value Changes, 2003 to 2004



gun on a new PetCo Store. Construction of a new multi-theatre Carmike Cinema movie complex north of this development has begun.

- » Several new medical offices have been built throughout the county and have added support staff jobs to the area.
 - **Bear Lake County**, with a population of 6,306, managed some impressive economic developments in 2004. The county's unemployment rate fell from 5.2 percent in 2003 to 4.7 percent in 2004. Construction reported for Montpelier, the county's largest city, was down significantly in 2004 from 2003; however, there were some projects started in 2003 that continued into 2004. No new residential or commercial construction projects started during the reporting period, January through September 2004, although *Additions, Alterations & Repairs* totaled more than \$135,000. A bear theme was adopted for downtown improvements and for new businesses in Montpelier to encourage tourists traveling through the area to stop and linger in the town. Two major projects planned for 2005 and beyond include the renovation of the Paris Tabernacle in Paris and a \$3.1 million upgrade for Bear Lake Memorial Hospital's skilled nursing center.
- Several new businesses opened in Montpelier in 2004:
- » HomeQuest Mortgage opened at 358 Washington, Suite 10.
 - » Bear Lake Caramel Company opened at 117 North Fourth. The new company produces gourmet caramel products.
 - » Made in Bear Lake, an artist's mall, opened at 916 Washington.
 - » The Home Realty Network-Preston opened a branch office at 358 Washington.
 - » Jenn's Bridal Room opened at 716 Adams.
 - **Bingham County** managed to maintain a healthy unemployment rate of 4.3 percent in 2004 despite robust population growth, which reached 41,735.

Construction activity declined in 2004, however, several construction projects that were started and counted in 2003 were completed in 2004. There was much to be excited about throughout Bingham County in 2004 with construction and community improvements literally everywhere throughout the county. Grants were made available through the Blackfoot Urban Renewal Agency to encourage downtown businesses to improve facades and clean up the business district. With many improvements made to Jensen Grove, a popular park with a small lake located near I-15 in Blackfoot, and the following developments, the area is poised for future growth.

- » Development of a new retail center, Parkway Village, began in 2004. Sonic Drive Inn opened in the new development located near Jensen Grove and several retail stores are expected to locate there in 2005.
- » Mountain River Birthing and Surgery Center opened in Blackfoot in July 2004 but construction of its new facility began in 2003. The new business added several professional-level jobs.
- » VanOrden, Lund & Cannon, PLLC, built a new facility at 1487 Parkway Drive. The business has been in Blackfoot for 13 years and moved into the new facility in 2004.
- » Phoenix Lumber opened in Blackfoot in 2004. The company opened with five employees and had increased to 17 employees in its first year of operation.
- » Construction of Blackfoot High School's \$3.8 million expansion was completed in 2004. The expansion included a three-court gym, locker rooms and a 1,200-seat auditorium
- » Completion of the Firth Town Square, a beautiful business park complete with a clock tower and copper cupola, improved the business district of Firth and attracted several new businesses that provide much needed services. Blackfoot Medical Clinic was the first tenant to move into the new business park. The business park currently is home to Potelco United Credit Union, an optometrist office, Firth city offices and a law office.
- In **Caribou County**, as in other natural resource based economies, the loss of 90 mining jobs in 2004 followed job losses in manufacturing during 2003. The loss of jobs forced people to leave the county to find work and its population declined 2.1 percent from 2000 to 2003. Despite the loss of jobs, the county's unemployment rate fell from 7.4 percent in 2003 to 6.9 percent in 2004. *Construction*, which is reported only for Soda Springs, totaled over \$4,190,355 in 2004, \$4 million more than in 2003. The boost in construction was mainly the building of a new jail. The opening of sev-

eral new businesses in 2004 was encouraging and helped replace some of the previous job losses. Business developments over the year included:

- » Sports Therapy and Athletic Rehabilitation opened on Highway 30 in Soda Springs.
- » Dr. Bryan S. Anderson started practicing family medicine in Caribou County and will split his time between Soda Springs and Grace.
- » The Family Dollar Store and Adies Attic Scrapbooking Treasures opened in Soda Springs in 2004.
- **Franklin County** was the only rural county in the region to experience exceptional growth in 2004, with the highest rate of population growth in Southeast Idaho reaching 11,874 in 2003, a 4.8 percent increase from 2000. The county also saw construction increase 55.9 percent in the first nine months of 2004 over the first nine months of 2003, and unemployment rates in the county dropped from 3.4 percent in 2003 to 2.9 percent in 2004. Preston, Franklin County's largest city, gained notoriety from the movie *Napoleon Dynamite*: a hoot of a comedy about a nerd growing up in Preston, Idaho.
- Major developments in 2004 included:
 - » An Internet distribution business, XO Corporation, in Oxford expanded. The business purchased a larger facility and began manufacturing whelping boxes.
 - » Construction of a new library and cafeteria at Preston High School began in 2004 and will continue into 2005.
 - » Demolition of Preston Lumber was completed and a Family Dollar Store was built at the site. The store opened in July 2004.
 - » In 2004, the Oneida Stake Academy was physically moved to a new location and restoration of the historical building began. The restoration project will continue into 2005.
- **Oneida County**, with a population of 4,132, is another example of a rural county that has experienced positive growth. It has the lowest unemployment rate in Southeast Idaho falling from 3.9 percent in 2003 to 2.6 percent in 2004. Oneida County experienced the following positive economic developments in 2004 and will see more growth in 2005.
 - » A Subway Sandwich Shop opened in Malad in December, which added several new jobs in the area.
 - » Hess-Pumice Products built a new welding and machine shop for maintenance of the company's equipment and vehicles. The company will expand its business to include manufacturing of

cultured stone. The expansion will add 80 to 100 new jobs in the area.

- **Power County** has endured the loss of good-paying manufacturing jobs, drought and low farm commodity prices, which led to a loss of population between 2000 and 2003 and unemployment rates above 9.0 percent. Despite these difficulties, county-wide construction activity in the first nine months of 2004 exceeded the first nine months of 2003 by 28 percent. The increase occurred in residential construction and totaled nearly \$2.5 million in 2004. Several economic developments occurred in 2004, and efforts through the Idaho Optimum Initiative are underway to find a new use for the former FMC/Astaris manufacturing

facility. When the facility closed in 2003, jobs were eliminated in the county. Developments in store for 2005 include building a new long-term care facility and constructing a wind farm.

- Five new businesses opened in American Falls in 2004: All American Video, Ghost Town Gifts and Collectibles, Body Flex, Minuteman Cash and Double Shot Gourmet Espresso.

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Treasure Valley News — *(continued from page 18)*

conomic Development Administration, and was awarded a \$500,000 Community Development Block Grant by Idaho Commerce & Labor. Gem County officials will use the money for infrastructure projects and to create new living wage jobs in Gem County.

Adams County

- The city of Council was awarded \$550,000 in grants for two separate projects: \$500,000 for downtown revitalization and \$50,000 for improvements to the senior center. The downtown revitalization grant is part of a five-year planning effort connected to the Highway 95 alternate route project. The money was part of the Idaho Community Development Block Grants program, administered by Idaho Commerce & Labor. The city will use the \$50,000 Gem Community Implementation Grant for improvements to buildings in Council's business park, such as a fire suppression system that will be installed in the building housing Intermountain Woodworking and completion of another building. In addition, the business park's parking lot will be paved.
- The City of Council will be awarded a grant from the Local Highway Technical Assistance Council for

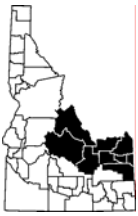
\$72,300. This grant is for fiscal year 2006 and will be spent on construction work to Hornet Creek Street.

- Brundage Mountain Resort announced in early May that it set a record for skier visits during the 2003-2004 ski/snowboard season. Attendance was up 7.0 percent to 122,430 skier/snowboarder visits for 2003-2004, which was the third consecutive year that Brundage broke the record for most skier visits in the resort's history.

Boise County

- Boise Cascade closed its lumber plant in Horseshoe Bend, laying off all 15 employees at the Riverbend Lumber Remanufacturing facility. Company officials cited high transportation expenses of raw and finished goods as a major reason for the closure.

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NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

2004 SUMMARY

Population Growth in the LMA

Population change is a major growth indicator. Recent figures show that the population of the LMA—Bingham, Bonneville, Butte and Jefferson counties—increased 4.6 percent according to Census data from April 2000 to July 2003, as shown in Northeast Table 2 on page 33. By the numbers, Bonneville County added the most with 4,485 more people; Bingham and Jefferson counties added more than 1,000 people each and Butte County showed a slight decrease of 26 people. By percentage growth, both Jefferson and Bonneville counties showed a population increase of 5.4 percent each while Bingham County's population increased 2.9 percent. Butte County's population dropped nine-tenths of a percentage point. Specific cities that largely contributed to the growth include Ammon with a 2,436-person increase, Idaho Falls with a 777-person increase and Blackfoot with a 227-person increase.

From April 2002 to July 2003, the LMA's population grew 1.9 percent, an addition of nearly 3,000 people. Jefferson County showed the greatest percentage growth followed closely by Bonneville County. Again, larger contributing cities were from Bonneville County (Ammon with an 868-person increase and Idaho Falls with a 419-person increase) and Bingham County (Blackfoot with a 114-person increase). Ammon, which is just on the outskirts of Idaho Falls, continues to grow. Businesses have discovered that the Grand Teton Mall and other business centers across the city line provide a good location as it is clustered around the Edward Cinemas complex. In addition, some businesses have started migrating east on Seventeenth Street around the Kmart Super Center. Idaho Falls continues to show steady growth as the largest city in the LMA and the third largest in the state behind Boise and Nampa. Blackfoot is conveniently nestled halfway between Pocatello (fourth largest city in the state) and Idaho Falls where it can receive spillover from the two communities besides enjoying its own natural growth.

Population Growth—Eastern Idaho

The nine counties comprising Northeast Idaho, which includes the LMA, showed a larger percentage growth in population overall than in the LMA—5.4 percent from April 2000 to July 2003 and 2.1 percent from 2002 to 2003. Teton County was the greatest population contributor in terms of percentages, with Madison County being the next greatest. Teton County has shown substantial growth due to its prime landscape, scenery and proximity to Jackson Hole, Wyoming, and the Grand Targhee Ski Resort. While Teton County grew by 1,059 people

from April 2000 to July 2003, Bonneville County grew by 4,485 people, Madison County grew by 2,411 people and Jefferson County grew by 1,039 people. Madison County's largest city, Rexburg, showed a 4,605-person increase over the three-year period. Rexburg's large growth stems from the conversion of two-year Ricks College to the four-year Brigham Young University–Idaho in 2001. Announcement of the merger brought immediate responses such as a marked increase in student applications and interested business investors, both adding to the growth of the area as the university continues to grow. More students are remaining in Rexburg after graduation and starting families and real estate has dramatically increased in value and demand. The Church of Jesus Christ of Latter Day Saints, which runs the university, also recently announced the addition of a temple in Rexburg, which will add to future growth of the area. Butte, Clark, Custer and Lemhi counties continue to show small but steady population declines.

Recently released state Census data indicates Idaho's population grew 1.9 percent from July 2003 to July 2004, ranking it the fourth fastest-growing state in the nation, by percent. County information is not yet available for July 2004.

Comparing construction permits and valuations is one measure of an area's economy for a specific period of time. The most recent Wells Fargo Bank Idaho Construction Report, dated September 2004, shows construction activity for the LMA, including Rigby, Blackfoot, Idaho Falls, Ammon, Jefferson County Unincorporated and Bonneville County Unincorporated. Total construction dollars increased almost \$32 million in the nine-month cumulative figures of January to September 2004 compared to the same time period in 2003. Most of this increase—nearly \$24 million—occurred in Idaho Falls and mostly for non-residential units. Bonneville County had a total increase of almost \$40 million. Rigby also showed an increase of \$2.3 million, with \$2 million from residential units alone. Total permits increased by almost 200 in the area, with the largest amount from Bonneville County. Of those permits, 300 new dwelling units were included (one permit can include multiple dwelling units depending on the makeup of the dwelling).

The report also included construction totals for Lemhi County, Fremont County Unincorporated and the cities of Rexburg, Salmon and St. Anthony. Rexburg showed a \$37 million decrease in total construction dollars and a decrease of 90 permits (including a decrease of 472 new dwelling units) from January to September 2004 cumulative totals compared to the same time frame in 2003. The decline is mostly due to the overbuilding of married student housing that took place the previous two years in anticipation of more married students attending BYU–Idaho

Northeastern Idaho Table 1: Population Changes 2000 Census to July 1, 2003					
	Census Population	7/1/2000 Population	7/1/2001 Population	7/1/2002 Population	7/1/2003 Population
United States	281,421,906	282,177,754	285,093,813	287,973,924	290,809,777
Idaho	1,293,953	1,299,610	1,321,309	1,343,124	1,366,332
Bonneville County	82,522	82,884	83,824	85,141	87,007
Butte County	2,899	2,900	2,859	2,921	2,873
Clark County	1,022	1,030	978	961	904
Custer County	4,342	4,340	4,265	4,165	4,090
Fremont County	11,819	11,794	11,833	11,878	12,107
Jefferson County	19,155	19,231	19,327	19,741	20,194
Lemhi County	7,806	7,745	7,665	7,757	7,731
Madison County	27,467	27,435	28,124	28,959	29,878
Teton County	5,999	6,113	6,450	6,829	7,058
Northeast Total	163,031	163,472	165,325	168,352	171,842
Bingham County	41,735	41,807	42,232	42,378	42,926
Bonneville County	82,522	82,884	83,824	85,141	87,007
Butte County	2,899	2,900	2,859	2,921	2,873
Jefferson County	19,155	19,231	19,327	19,741	20,194
LMA Total	146,311	146,822	148,242	150,181	153,000

since its 2001 conversion to a four-year university. A \$12 million decrease in new nonresidential valuation came about mostly because of university expansion projects started in 2003. Lemhi County showed no change in the number of permits, but experienced an approximate \$1 million increase in total construction dollars in new *Non-residential Construction and Additions, Alterations & Repairs*. Fremont County showed a decrease in total permits and approximately a \$7 million decrease in total construction dollars. Construction started on the new North Fremont High School in 2003 that would have been included in those totals.

Permits and their construction values are counted in the month in which they are filed even though most projects extend for several months. Large, complex construction projects can influence an area's economy for many years. Therefore, the numbers from construction are good indicators of economic activity, but by themselves do not represent the growth or decline of an area.

YEARLY DEVELOPMENTS AND CHANGES

- Battelle Energy Alliance (BEA) was named the new main contractor of Research and Development at the Idaho National Engineering and Environmental Laboratory (INEEL) for the next 10 years, and replaced Bechtel BWXT on February 1, 2005. The nuclear site's name was changed to the Idaho National Laboratory (INL). BEA is comprised of Battelle Memorial Institute, BWXT Services Inc., Washington Group International, the Electric Power Research Institute and the Massachusetts Institute of Technology. The U.S. Department of Energy awarded BEA the contract through a bidding process. A second major contract focusing on the cleanup at the INL is still in the bidding process. A decision is expected soon.

- Grow Idaho Falls, Inc., headed by CEO and President Kipp Hicks, is the new name of the former Eastern Idaho Economic Development Council (EIEDC). The new entity focuses on economic development specifically in Bonneville County. The former council was responsible for promoting several counties in eastern Idaho. The change was initially brought on by a change in funding that once covered the larger area.

- The Grand Teton Mall in Idaho Falls held

its grand reopening in November to show off its new multi-million dollar face lift. The renovation started in June and the mall now sports new tile, a new ceiling, family room-style seating, a large play area for children, new facades and signage on entrances, new landscaping and bike racks. General Growth Properties, the mall's owner, also added the companion Grand Teton Plaza located beside the mall on the southeastern end. It includes Ross Dress for Less, PetSmart and Best Buy that all opened in the fall. Linens 'n Things will also open a store in the plaza soon. A restaurant pad, the previous JJ North's location, is still available for lease on the northeast side of the property.

- With construction prevalent in both residential and commercial sectors, it is apparent that commercial centers have developed throughout the area. The professional business development, Taylor Crossing on the River, was established several years ago and is still growing strong; now several smaller new business developments are springing up in various places. Idaho Falls' Chantilly Park on Merlin Drive, east of the corner of St. Clair and Sunnyside roads, also was established several years ago but really started filling up in 2004. The park consists of medical and professional businesses, and features a waterfall and pond in the middle of the parking lot. Family Resource Center was the sole business on the corner of St. Clair and Sunnyside roads for several years, but is now joined by several other financial and professional businesses; Idaho Central Credit Union is the newest completed entity. Further east on Sunnyside Road, Washington Parkway has sprung up with an impressive Biddulph and Huntsman Orthopedic Specialists and Surgical Center occupying the corner. Several other medical and professional businesses have located there and many are still

under construction. East Side Galleria, a strip mall on Seventeenth Street across from Kmart, now stands ready to take tenants. Geraldine's Bake Shop & Deli claimed the east corner and is awaiting neighbors. Construction recently finished on Eagle Pointe Plaza, further east on Seventeenth Street; Sunnydays Daycare is the first tenant and six units are still available.

- Rexburg also experienced substantial growth in the commercial sector. Teton River Village, which was just a plan at the end of 2003, is at full occupancy and features a six-theater cinema with a bowling alley and several retail spaces. Several other businesses have been built around the original design, such as Jensen Jewelers and Wingers. Deseret Book, Cold Stone Creamery and several other businesses have located in the original retail spots on Second East. Rexburg Business Park on Second East gained a few new neighbors: Upper Valley Options opened earlier in 2004 and an Idaho Commerce & Labor office opened at the end of the year. The first tenant at Main Street Crossing, a four-unit retail complex on the corner of Main and Center streets, will soon celebrate a grand opening. Gandolfo's Deli is soon to open and other tenants are close behind. In St. Anthony, one tenant is moving into the city's new Business Development Center. The 8,000-square-foot building is a refreshing undertaking for the city and hopes are high for quality employers to locate there. The Oscar Wornek Business Park opened in September in Mackay. The two larger buildings make up the business incubation center, offering a great start-up location for those interested in business opportunities.
- Two larger entities opened in Idaho Falls. Lowe's demolished the old Wal-Mart building and built its own facility on Seventeenth Street. Wal-Mart opened a second Super Center on the west side of town near Interstate 15 and Broadway. Although the store did not technically open until the end of January, it had hired and was training all of its employees starting in November. Between these two businesses, about 400 jobs were added to the area.
- Anheuser-Busch completed its malt plant expansion in Idaho Falls and is fully operating. Although the new plant did not generate many new jobs due to high automation, area farmers have benefited by selling their barley directly to the company.
- Sam's Club finished its expansion in Idaho Falls, adding a one-hour photo and processing lab, vision center and extended deli along with a separate gas station.
- North Wind, Inc. built its new headquarters on the Snake River north of Highway 20. North Wind specializes in environmental cleanup and construction.
- BNFL, Inc. started operating in the Arco desert area. The facility contracts with the U.S. Department of En-

ergy to retrieve waste from the INL and will prepare it for shipment over the next 10 years.

- Deseret Industries Thrift Store replaced its existing facility with a much larger one on Second East in Rexburg.
- Rocknak's Hardware Plus moved into a new structure it built on Broadway close to its old location. The new, larger store carries more products and is now a full-project store for customers interested in remodeling.
- The Rexburg Gymnastic Center opened on North Second East and offers classes to youth and teens.
- Many smaller retail shops and fast food places opened throughout Northeast Idaho and some existing businesses added other locations.

CONTINUING PROJECTS

- Grupo Modelo's large malt facility is still under construction and should be completed in a year. The company is headquartered in Mexico and this is its first malt facility constructed in the United States. It is located close to the Anheuser-Busch malt plant off Sunnyside Road south of Idaho Falls.
- Remodeling of a 100-year-old three-story building in downtown Idaho Falls is still in process in order to bring Destinations, a classy theme-oriented hotel, to the area. The building is on the corner of Shoup Avenue and Broadway. Two well-known businesses with experience building some of Las Vegas' landmark hotels will help in the concept and design.
- Melaleuca, an international manufacturer and marketer of health, home, and personal care products, plans to double its Rexburg operation to accommodate up to 900 jobs. The plan to add 266 desks to the 202 desks already at the location will allow part-time and full-time workers to use the desks to capacity. The center employs many students from BYU-Idaho due to their linguistic abilities—Spanish and French are languages highly used in the call center—and allows employees to pursue their education while working. Students are also able to move up with the company after their education is finished. The company has other locations in Idaho Falls and Tennessee.

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WOMEN'S MEDIAN WAGES IN IDAHO MAKE GAINS, STILL LAG MEN'S WAGES

The 2001 recession took its toll on Idaho and the nation. But while stifling most economic activity, it was another period of gains for Idaho's working women.

While still a far cry from the wages paid men, women made considerable progress during the downturn in closing the wage gap. Their pay jumped while compensation for men was stagnating.

The U.S. Bureau of Labor Statistics reports that from 2001 to 2003 the median weekly earnings for women in Idaho rose from \$436 to \$476, a 9.2 percent gain, while men posted only a \$3 increase to \$602, a 0.5 percent gain. That means half those in the work force made more than the median amount and half made less.

Idaho women, whose comparative wages have ranked near the bottom of all the states in the past, made 79.2 percent of what men made in 2003. That lifted the state's ranking to 18th nationally. (See FYI Table 1 on page 37 for state comparisons of female wages as a percentage of male wages.)

In 2001, the median weekly earnings for Idaho women were under 73 percent of those for men, ranking the state 40th.

Nationally, women's median weekly earnings rose 8.0 percent from 2001 to 2003 to \$552 while median earnings for men were up only 3.4 percent to \$672. That left the ratio at 79.5 percent, nearly identical to Idaho's for the first time in years.

The improvement during a rough economic time reflected the vulnerability of men to layoffs in the industries they tend to dominate, like manufacturing, which are hit hardest by recessions. But it also reflected the likelihood that an increasing number of women were cracking the top-level, high-paying jobs that had eluded them in the past.

A comparison of median and average wages from 2001 to 2003 indicates real gains for women in jobs paying in the top half of the wage scale.

Pay for women in Idaho rose faster than for men across the economic spectrum except for jobs in

mining, utilities, construction and contract business support services.

Still, the comparative earnings of working women remain subject to cultural and social factors. Traditional family management limits many women to only part-time employment, which curtails earning power, and requires others to drop out of the labor force for extended periods to raise children or care for ailing parents.

The state's relatively high divorce rate also leaves women who have committed to the traditional path of marriage and children ill-equipped to compete for comparatively higher-paying jobs once they are back on their own.

According to the National Center for Health Statistics, Idaho's divorce rate in 2002 was 5.3 for every 1,000 residents, fifth highest behind Nevada, Arkansas, Alabama and Wyoming. The 2000 census also found Idaho had three times as many single mothers as single fathers, and those women were three times as likely to have incomes below the poverty line.

The upward movement made on the wage front in the most recent recession capitalized on the momentum women established following the recession of the early 1980s. That economic setback put the inflation-adjusted median weekly wage for men into a tailspin that did not stop until the mid-1990s. It was not until 2001 that men regained the earnings level they had in 1979.

There was also a dip in inflation-adjusted median weekly earnings for women. But it lasted only through 1981, and then steady annual increases became the norm. That trend was interrupted, and then only in a limited way, in the mid-1990s as welfare reform and its lifetime limits on public assistance sent a stream of previously non-working women into low-paying jobs that dragged the median down slightly during a four-year period.

"The rate of progress in closing Idaho's hourly wage gap was better than average in the 1990s," the AFL-CIO said in an analysis following the 2000

census. "Idaho ranked seventh among all the states in progress in closing the hourly wage gap."

But the labor organization concluded that even if the pace set in the last decade was maintained, Idaho's working women would not achieve pay equity until 2027.

From 1979 through 2003, women's median weekly earnings nationally jumped from just 62.5 percent of men's earnings to 79.5 percent.

The level of education also is tied closely to earning power for women. That was a factor as well in allowing a wage gap to remain since only 19.4 percent of Idaho women over 25 hold college degrees, ranking the state 39th nationally.

The median wage for women with bachelor's degrees or better was 98.5 percent of the median wage for men across the country in 2003.

The Institute for Women's Policy Research, however, suggests the direct comparison of weekly wages between men and women understates the disparity. Its analysis of women's and men's earnings during their prime working years between the ages of 26 through 59 found that women made only 38 percent of what men earned. The research spanned 1983 to 1998 and reflects the social and cultural factors that affect women.

Researchers confirmed that women are more likely to work part-time and less likely to work year-round. They also found that more than half the women tracked over the 15-year period did not work for at least one full calendar year while only 16 percent of the men went an entire year without working.

"A career interruption like this has a large effect on the earnings of both men and women independent of their education and previous experience, and such interruptions partially account for women's lower lifetime earnings," wrote Heidi Hartmann, a co-author of the research report.

See FYI Table 2 on page 37 for Idaho industry-specific data on average wages and female-male worker comparisons, from 2001 to 2003.

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FYI Table 1: Female Earnings as % of Males by State, 2003

States	Percentage
Alabama	72.7
Alaska	78.4
Arizona	81.9
Arkansas	75.8
California	87.1
Colorado	84.2
Connecticut	74.1
Delaware	81.8
District of Columbia	95.1
Florida	80.7
Georgia	87.7
Hawaii	79.6
Idaho	79.2
Illinois	78.7
Indiana	74.7
Iowa	77.9
Kansas	78.4
Kentucky	78.7
Louisiana	71.4
Maine	76.9
Maryland	84.3
Massachusetts	78
Michigan	74.3
Minnesota	73.8
Mississippi	78.3
Missouri	76.7
Montana	74.5
Nebraska	74.3
Nevada	83.3
New Hampshire	72.1
New Jersey	79.8
New Mexico	79.7
New York	81.7
North Carolina	80.3
North Dakota	74.2
Ohio	75.2
Oklahoma	78.2
Oregon	74.9
Pennsylvania	75.3
Rhode Island	80
South Carolina	77.5
South Dakota	80.3
Tennessee	77.7
Texas	83.5
Utah	75.4
Vermont	82.4
Virginia	76.4
Washington	72.6
West Virginia	73.6
Wisconsin	76.8
Wyoming	65.3
United States	79.5

Source: U.S. Department of Labor, Bureau of Labor Statistics

FYI Table 2: Male-Female Wage Data by Industry in Idaho, 4th Quarter 2003; Wage Comparisons 2001 to 2003

Industry	Total Labor Force	Female Labor Force	Average Weekly Wage	Average Male Wage	Average Female Wage	Female % of Male Average	% Female Increase from '01	% Male Increase from '01
Agriculture, Forestry, Fishing, Hunting	22,733	6,154	\$521.54	\$575.08	\$365.31	63.52	10.62	7.04
Mining	1,935	253	\$957.46	\$995.08	\$730.38	73.40	26.90	12.70
Utilities	2,530	575	\$1,006.15	\$1,088.31	\$742.15	68.19	18.45	11.04
Construction	37,403	5,225	\$687.92	\$723.69	\$477.92	66.04	-0.05	-0.51
Manufacturing	64,286	18,236	\$873.00	\$963.69	\$644.54	66.88	11.01	8.38
Wholesale Trade	24,684	7,342	\$759.46	\$881.31	\$464.77	52.74	7.53	7.55
Retail Trade	76,265	38,273	\$484.15	\$616.15	\$351.23	57.00	9.10	5.08
Transportation, Warehousing	16,896	4,312	\$626.08	\$686.08	\$458.54	66.83	6.43	2.48
Information	9,965	4,775	\$699.69	\$822.92	\$564.69	68.62	5.52	4.64
Finance, Insurance	18,569	13,210	\$799.85	\$1,281.69	\$605.08	47.21	8.08	3.81
Real Estate, Rental, Leasing	7,395	3,756	\$470.54	\$556.62	\$389.31	69.94	4.39	3.25
Professional, Scientific, Tech Services	29,070	12,924	\$941.54	\$1,204.15	\$592.15	49.18	4.39	2.41
Management	7,913	3,625	\$915.69	\$1,171.38	\$619.85	52.92	12.81	11.34
Administration, Waste Management	35,535	16,201	\$457.85	\$517.85	\$390.00	75.31	7.78	8.09
Educational Services	52,464	35,692	\$550.38	\$699.00	\$483.00	69.10	0.58	0.00
Health Care and Social Assistance	64,995	52,025	\$624.23	\$1,201.15	\$479.31	39.90	7.62	0.21
Arts, Entertainment, Recreation	8,117	4,214	\$346.62	\$417.23	\$287.54	68.92	10.76	7.36
Accommodation, Food Services	47,720	27,825	\$236.08	\$276.46	\$207.46	75.04	7.54	7.25
Other Services not Public Admin)	15,501	7,680	\$439.38	\$541.38	\$336.92	62.23	3.84	2.27
Public Administration	32,543	14,044	\$407.77	\$661.62	\$507.23	76.67	5.32	4.18

Source: Idaho Department of Commerce & Labor, Local Employment Dynamics Program.

F.Y.I.

FOR YOUR INFORMATION

OCCUPATIONAL EMPLOYMENT & WAGES

Idaho Commerce & Labor recently released the 2005 edition *Idaho Occupation Employment and Wage Survey*. The survey conducted in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics. The data obtained from this survey is now available from Idaho Commerce & Labor in both printed and electronic format. The printed publication can be obtained by contacting:

Public Affairs
Idaho Department of Labor
317 W. Main Street
Boise ID 83735
Phone: (208) 332-3570 ext 3206 or 1-800-772-2553
Email: Imi@cl.idaho.gov

The electronic publication can be found at:

<http://Imi.idaho.gov> – Idaho website
or <http://www.bls.gov/oes/> - BLS national website

The publication consists of the three sections described below:

Introduction: The first section, the introduction, describes the methods, definitions and contents of the survey to aid the reader in understanding and using the wage information provided in this publication.

Wage Tables: The second section includes wage tables for seven geographic areas and the highest and lowest paid occupations. The State of Idaho table provides data based on all 44 Idaho counties. The North Idaho table provides data based on the ten northern counties. The Boise Metropolitan Statistical Area (MSA) table provides data based on Ada and Canyon Counties in Southwest Idaho. The Southwest excluding Boise MSA table provides data based on the ten Southwest counties excluding Ada and Canyon counties. The South Central table provides data based on the eight counties in south central Idaho. The Pocatello MSA table provides data based on Bannock County in southeastern Idaho. The Eastern Idaho table provides data on the 15 counties in eastern Idaho excluding Ban-

nock County. In each of these tables, the average (mean), entry, midpoint (median), and middle range wage levels are provided in occupational code order. The Cross Regional table provides the mean wage by occupation for the State and each of the six regions. The appendices include an alphabetical list of the occupations, wages for general and operations managers by industry and annual wages for education occupations.

Appendix A - C: The third section consists of three appendices. Appendix A provides an alphabetical listing of occupations to aid in locating specific job titles. Appendix B provides wages for general and operations managers by industry. Appendix C provides the annual wages for education occupations.

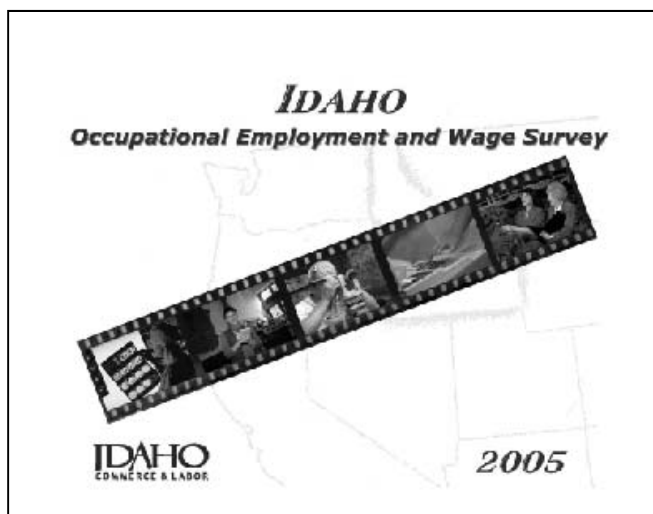
The Bureau of Labor Statistics' (BLS) Internet site contains a table for each occupation with employment, mean, and median hourly wage, mean annual wage, and the mean relative standard error (RSE). Only the state and MSA data is available at the BLS Internet sites. The wage tables for the seven geographic regions

are available at both the Idaho Commerce & Labor Internet site and in the printed publication. Both the Idaho and BLS Internet sites include definitions for all occupations.

SOC Classification System

Since the survey data is collected on a three year cycle, this is the first release of the wage information where the data results have been collected and released using the Office of Management and Budget's Stan-

dard Occupational Classification (SOC) system. The SOC system will be used by all federal statistical agencies for reporting occupational data. The SOC system consists of 821 detailed occupations grouped into 449 broad occupations, 96 minor groups, and 22 major groups. The OES program provides occupational employment and wage data at the major group level and detailed occupation level.



Terms

There are four basic terms used in the wage survey.

- The mean is a measure of central tendency and represents the sum of the values of the observations divided by the number of observations; it also is known as the arithmetic average. It is more commonly referred to as the average.
- The median is a measure of central tendency that is not sensitive to values that are far removed from (outlying) the others and which have little effect on the mean. The median represents the value at which one-half of the observations fall below it and one-half are above it. This measure is more commonly referred to as the Mid-point.
- The middle range is a term used to describe the range of wages paid to the middle 50 percent of the workers in a specific occupation. This means that one-fourth the employees are earning wages below the low end of the middle range and one-fourth of the employees are earning wages above the high end. This range provides the user with information regarding the variance of pay within an occupation. It is a measure within which 50 percent of the wage rates fall.

The entry wage is a term that refers to the average wage paid to those in the bottom third of workers in an occupation. This is an imputed wage measure, rather than a surveyed measure.

Highest & Lowest Wages

Nine of the 20 highest-paid occupations were in the *Healthcare Practitioners & Technical Occupations*. The three highest paid occupations, Anesthesiologists, Psychiatrists and Dentists, were paid in excess of \$70 per hour. These same occupations led the way in 2004. Judges, Magistrate Judges, and Magistrates, which ranked fourth this year with an average wage of \$70.88. Half of the lowest-paid occupations are in the *Food Preparation & Servicing Occupations*. The lowest average wage, \$6.35, was paid to Hosts & Hostesses, Restaurant, Lounge, and Coffee Shop. Waiters & Waitresses followed closely with \$6.62. The wage rates do not include tips, bonuses, benefits, or other payments that could affect the workers' earnings

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Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Labor Market Area (LMA): An area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment without changing place of residence. Idaho has nine LMAs.

Metropolitan Statistical Area (MSA): An area that has either a city with a population of at least 50,000 or a Bureau of Census urbanized area of at least 50,000 and a

total metropolitan area of at least 100,000. The Office of Management and Budget designates the MSAs. There are five MSAs in Idaho—Boise City-Nampa MSA (including Ada and Canyon Counties), Coeur d’Alene MSA (Kootenai County), Idaho Falls MSA (Jefferson and Bonneville Counties), Lewiston MSA (Nez Perce County in Idaho and Asotin County in Washington), Logan MSA (Franklin County and the Logan, Utah, Metro Area), and Pocatello City (Bannock County).

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.